

# **Rochester Institute of Technology**

**Report on Federal Awards in Accordance with  
the Uniform Guidance**

**For the Year Ended June 30, 2022**

**Primary EIN: 16-0743140**

**Rochester Institute of Technology**  
**Index**  
**For the fiscal year ended June 30, 2022**

---

	<b>Page(s)</b>
Report of Independent Auditors.....	1-3
Consolidated Balance Sheets.....	4
Consolidated Statements of Activities.....	5-6
Consolidated Statements of Cash Flows.....	7
Notes to Consolidated Financial Statements.....	8-35
Schedule of Expenditures of Federal Awards.....	36-42
Notes to Schedule of Expenditures of Federal Awards.....	43-44
Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	45-46
Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance.....	47-49
Schedule of Findings and Questioned Costs.....	50-51
Summary of Status of Prior Year's Findings.....	52



## **Report of Independent Auditors**

To the Board of Trustees of the Rochester Institute of Technology

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of the Rochester Institute of Technology and its subsidiaries (the "University"), which comprise the consolidated balance sheets as of June 30, 2022 and 2021, and the related consolidated statements of activities and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the University as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for one year after the date the financial statements are available to be issued.



### ***Auditors' Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the University audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the University's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2022 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated



financial statements or to the consolidated financial statements themselves, and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2022 on our consideration of the University's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters for the year ended June 30, 2022. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control over financial reporting and compliance.

*PricewaterhouseCoopers LLP*

Fairport, New York  
November 10, 2022

**Rochester Institute of Technology**  
**Consolidated Balance Sheets**  
**June 30, 2022 and 2021**  
*(in thousands)*

	2022	2021
<b>Assets</b>		
Cash and cash equivalents	\$ 116,880	\$ 113,842
Cash and cash equivalents, held with trustees	31,901	17,734
Accounts receivable, net	16,722	20,035
Inventories and other assets	23,579	21,264
Contributions receivable, net	50,789	57,247
Student loans receivable, net	10,412	14,589
Investments, at fair value	1,558,317	1,630,787
Property, plant and equipment, net	724,274	681,610
<b>Total assets</b>	<b>\$ 2,532,874</b>	<b>\$ 2,557,108</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	\$ 68,107	\$ 60,672
Deferred revenues and other liabilities	81,531	78,626
Accrued postretirement benefits	117,703	138,804
Federal Perkins Loan Program advances	11,556	15,535
Long-term debt, net	343,386	356,576
Total liabilities	622,283	650,213
<b>Net assets</b>		
Without donor restrictions	1,235,983	1,210,387
With donor restrictions	674,608	696,508
Total net assets	1,910,591	1,906,895
<b>Total liabilities and net assets</b>	<b>\$ 2,532,874</b>	<b>\$ 2,557,108</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Rochester Institute of Technology**  
**Consolidated Statements of Activities**  
**For the fiscal year ended June 30, 2022**  
**(With summarized financial information for the year ended June 30, 2021)**  
*(in thousands)*

			2022	2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Operating revenues and other support</b>				
Tuition and fees (includes discounts of \$319,464 and \$276,339, respectively)	\$ 333,122	\$ -	\$ 333,122	\$ 317,419
Sales and services of auxiliaries	86,066	-	86,066	67,921
Grants and contracts	182,092	544	182,636	156,469
Private contributions	1,125	9,314	10,439	10,556
Investment return	25,190	22,208	47,398	44,035
Other sources	21,344	-	21,344	15,662
Net assets released from restrictions	29,968	(29,968)	-	-
<b>Total operating revenues and other support</b>	<b>678,907</b>	<b>2,098</b>	<b>681,005</b>	<b>612,062</b>
<b>Operating expenses</b>				
Salaries and wages	\$ 317,903	\$ -	\$ 317,903	\$ 301,647
Benefits	100,360	-	100,360	95,769
Postretirement benefits	4,582	-	4,582	4,691
Purchased services	52,588	-	52,588	43,042
Materials and supplies	52,570	-	52,570	41,337
Depreciation	42,305	-	42,305	42,808
Interest	8,541	-	8,541	10,085
Utilities, taxes and insurance	13,704	-	13,704	12,359
Travel for scholarship, professional development and recruitment	5,451	-	5,451	1,088
Other	36,746	-	36,746	18,160
<b>Total operating expenses</b>	<b>634,750</b>	<b>-</b>	<b>634,750</b>	<b>570,986</b>
<b>Net operating activities</b>	<b>44,157</b>	<b>2,098</b>	<b>46,255</b>	<b>41,076</b>
<b>Nonoperating activities</b>				
Investment return, net	\$ (46,796)	\$ (36,699)	\$ (83,495)	\$ 331,754
Net assets released from restrictions	4,293	(4,293)	-	-
Contributions of cash and other financial assets for long-term assets	153	16,666	16,819	9,205
Contributions of nonfinancial assets for long-term use	419	-	419	4,781
Grants and contracts for long-term assets	5,029	285	5,314	364
Net periodic postretirement benefit cost other than service cost	1,160	-	1,160	562
Other postretirement benefit changes	19,433	-	19,433	741
Beneficiary payments and change in value of deferred giving arrangements	-	249	249	(269)
Other	(2,252)	(206)	(2,458)	(1,257)
<b>Net nonoperating activities</b>	<b>(18,561)</b>	<b>(23,998)</b>	<b>(42,559)</b>	<b>345,881</b>
<b>Increase (decrease) in net assets</b>	<b>25,596</b>	<b>(21,900)</b>	<b>3,696</b>	<b>386,957</b>
<b>Net assets at beginning of year</b>	<b>1,210,387</b>	<b>696,508</b>	<b>1,906,895</b>	<b>1,519,938</b>
<b>Net assets at end of year</b>	<b>\$ 1,235,983</b>	<b>\$ 674,608</b>	<b>\$ 1,910,591</b>	<b>\$ 1,906,895</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Rochester Institute of Technology**  
**Consolidated Statement of Activities**  
**For the fiscal year ended June 30, 2021**  
*(in thousands)*

	<b>2021</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Operating revenues and other support</b>			
Tuition and fees (includes discounts of \$276,339)	\$ 317,419	\$ -	\$ 317,419
Sales and services of auxiliaries	67,921	-	67,921
Grants and contracts	155,453	1,016	156,469
Private contributions	1,326	9,230	10,556
Investment return	23,167	20,868	44,035
Other sources	15,662	-	15,662
Net assets released from restrictions	25,766	(25,766)	-
<b>Total operating revenues and other support</b>	<b>606,714</b>	<b>5,348</b>	<b>612,062</b>
<b>Operating expenses</b>			
Salaries and wages	\$ 301,647	\$ -	\$ 301,647
Benefits	95,769	-	95,769
Postretirement benefits	4,691	-	4,691
Purchased services	43,042	-	43,042
Materials and supplies	41,337	-	41,337
Depreciation	42,808	-	42,808
Interest	10,085	-	10,085
Utilities, taxes and insurance	12,359	-	12,359
Travel for scholarship, professional development and recruitment	1,088	-	1,088
Other	18,160	-	18,160
<b>Total operating expenses</b>	<b>570,986</b>	<b>-</b>	<b>570,986</b>
<b>Net operating activities</b>	<b>35,728</b>	<b>5,348</b>	<b>41,076</b>
<b>Nonoperating activities</b>			
Investment return, net	\$ 174,580	\$ 157,174	\$ 331,754
Net assets released from restrictions	8,914	(8,914)	-
Contributions of cash and other financial assets for long- term assets	17	9,188	9,205
Contributions of nonfinancial assets for long-term use	4,781	-	4,781
Grants and contracts for long-term assets	10	354	364
Net periodic postretirement benefit cost other than service cost	562	-	562
Other postretirement benefit changes	741	-	741
Beneficiary payments and change in value of deferred giving arrangements	-	(269)	(269)
Other	(1,122)	(135)	(1,257)
<b>Net nonoperating activities</b>	<b>188,483</b>	<b>157,398</b>	<b>345,881</b>
<b>Increase in net assets</b>	<b>224,211</b>	<b>162,746</b>	<b>386,957</b>
<b>Net assets at beginning of year</b>	<b>986,176</b>	<b>533,762</b>	<b>1,519,938</b>
<b>Net assets at end of year</b>	<b>\$ 1,210,387</b>	<b>\$ 696,508</b>	<b>\$ 1,906,895</b>

The accompanying notes are an integral part of these Consolidated Financial Statements.



**Rochester Institute of Technology**  
**Consolidated Statements of Cash Flows**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

	2022	2021
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 3,696	\$ 386,957
<b>Adjustments to reconcile change in net assets to net cash provided by operating activities</b>		
Depreciation, amortization and accretion expense	41,696	41,886
Loss on disposal of property, plant and equipment	1,604	258
Realized and unrealized net loss (gain) on investments	46,793	(371,188)
Contributions and government grants restricted for long-term purposes	(29,849)	(16,030)
Noncash contributions of property, plant, equipment and securities	(419)	(4,781)
Gain on extinguishment of debt	-	(126)
Asset retirement obligation liquidation and adjustment	1,522	(956)
Changes in assets and liabilities:		
Accounts receivable	3,313	(1,544)
Inventories and other assets	(2,860)	(52)
Contributions receivable	6,458	5,143
Student loans receivable	133	147
Accounts payable and accrued expenses	2,897	14,324
Deferred revenues and other liabilities	623	(5,209)
Accrued postretirement benefits	(21,101)	(1,154)
Net cash provided by operating activities	54,506	47,675
<b>Cash flows from investing activities</b>		
Purchases of investments	(583,260)	(378,210)
Proceeds from the sales and maturities of investments	608,968	389,645
Proceeds from the sale of property	-	37
Payments received on student loans	4,044	5,288
Acquisition of property, plant and equipment	(81,306)	(43,215)
Net cash used in investing activities	(51,554)	(26,455)
<b>Cash flows from financing activities</b>		
Contributions and contracts restricted for long-term purposes	20,084	14,293
Proceeds from sale of contributed securities	9,733	1,759
Payments of long term debt	(11,585)	(11,976)
Debt issuance costs	-	(196)
Decrease in refundable government grants for student loans	(3,979)	(4,519)
Net cash provided by (used in) financing activities	14,253	(639)
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>17,205</b>	<b>20,581</b>
<b>Cash, cash equivalents and restricted cash - beginning of year</b>	<b>131,576</b>	<b>110,995</b>
<b>Cash, cash equivalents and restricted cash - end of year</b>	<b>\$ 148,781</b>	<b>\$ 131,576</b>
<b>Supplemental disclosures of cash flow information</b>		
Interest paid (capitalized interest of \$2,036 and \$898 recorded in 2022 and 2021, respectively)	\$ 12,526	\$ 11,577
Contributions of long-term assets	419	4,781
Contributions of marketable securities	10,248	1,993
Increase (decrease) in construction-related payables	4,539	(1,330)
Asset exchanged under asset retirement obligation	-	3,680
See Note 3 for supplemental cash flow disclosures for leases		

The accompanying notes are an integral part of these Consolidated Financial Statements.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

**1. Summary of Significant Accounting Policies**

***a. Organization***

Rochester Institute of Technology (University, RIT) is a privately endowed, co-educational university comprised of nine colleges and two degree-granting academic units. The University, which occupies approximately 1,300 acres in Rochester, New York, has approximately 20,000 full and part-time undergraduate and graduate students and 4,000 employees.

The following organizations are consolidated into the financial statements of the University:

- 5257 West Henrietta Road, LLC (Inn), doing business as the RIT Inn & Conference Center, is a not-for-profit single member limited liability company with the University as its sole member. The Inn is a dual-use 304-room full service hotel with 215 rooms available for student housing during the academic year.
- Magic Spell Studios, LLC (MAGIC Spell) is a not-for-profit single member limited liability company with the University as its sole member. MAGIC Spell operates a center for research and development of digital media directly supporting the charitable and educational activities of the University. During 2022, all assets and liabilities of MAGIC Spell were transferred to the University and a voluntary dissolution of the company was completed.
- RIT Campus Club, Inc. (Campus Club) is a not-for-profit subsidiary of the University. Campus Club was established to support certain aspects of the University's dining operations.
- RIT Global Delivery Corporation, Inc. (GDC) is a wholly owned not-for-profit subsidiary of the University established to develop and deliver global instruction. RIT Croatia, a subsidiary of GDC, delivers instructional services in Croatia. GDC also delivers instructional services in the United Arab Emirates where it operates RIT Dubai in conjunction with the Dubai Silicon Oasis Authority; in Kosovo through the American University in conjunction with the Kosovo Foundation; and in Beijing and Weihai, China through a partnership with Beijing Jiatong University.
- RIT Venture Fund I, LLC (Fund I) is a for-profit limited liability company; the University is its investor member and sole investor. The Fund was formed to make investments in seed, venture and growth-stage companies that involve students, faculty, alumni and/or technologies owned or developed by the University. RIT VF Arc Holdings, LLC is a limited liability company; Fund I is its investor member and sole investor.

***b. Basis of Accounting***

The University's Consolidated Financial Statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) in the United States of America. All significant intercompany transactions and accounts have been eliminated.

***c. Use of Estimates***

The preparation of financial statements in conformity with GAAP in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from estimates.

***d. Cash, Cash Equivalents and Restricted Cash***

The total cash, cash equivalents and restricted cash shown in the Consolidated Statements of Cash Flows is comprised of cash and cash equivalents and cash and cash equivalents held with trustees on the Consolidated Balance Sheets. Cash, cash equivalents and restricted cash include cash, money market funds and U.S. government securities with maturities of three months or less when purchased. Cash equivalents within the University's investment portfolio are reported as investments. The University classifies restricted cash as cash and cash equivalents held with trustees. These funds will be used for construction of or debt service payments on certain facilities.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

***e. Inventories and Other Assets***

The University's technology store inventory is valued at cost using the first-in, first-out (FIFO) retail method. Other inventories are stated at the lower of cost, generally on a FIFO basis, or market value.

Capitalized implementation costs and corresponding accumulated amortization for software recorded as a hosting arrangement deemed a service contract total \$2,983 and \$2,215 at June 30, 2022 and 2021, respectively, and are included in inventories and other assets on the Consolidated Balance Sheets. These costs are amortized over the term of the associated hosting arrangement on a straight-line basis and included in purchased services on the Consolidated Statements of Activities.

Operating lease right-of-use (ROU) assets are included in inventories and other assets on the Consolidated Balance Sheets.

***f. Contributions Receivable***

Contributions to the University, either from donors or grantors, provide funding for academic programs, research, investment in facilities and student support. Contributions due after one year are discounted at a range from 1.3% to 4.0%, to their fair value, based upon the fiscal year in which the contribution is to be received. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for potentially uncollectible contributions receivable is provided based upon management's judgment and analysis of the creditworthiness of the donors or grantors, past collection experience and other relevant factors.

***g. Investments***

Investments are recorded at fair value based on quoted market prices when available. The estimated fair value for certain investments in private equity, real asset, hedge and other externally managed funds are based on valuations provided by external investment managers. These investments are generally less liquid than other investments, and the values reported by the general partner or investment manager may differ from the values that would have been reported, had a ready market for these securities existed. The valuations necessarily involve estimates, appraisals, assumptions and methods which are reviewed by the University and external investment management.

To minimize the risk of loss, externally managed hedge fund investments are diversified by strategy, manager and number of positions. The risk of any derivative exposure associated with such funds is limited to the amount invested with each manager.

The University's interest rate risk management strategy provides for maximum flexibility within its debt structure, seeks to lower its cost of capital, and manages risk on a portfolio basis. The University does not hold or issue derivative financial instruments for trading purposes; however, the Board of Trustees has authorized investments in derivatives to maintain asset class ranges, hedge non-U.S. dollar investments and currencies, and provide for defensive portfolio strategies. Derivative investments are recorded at fair value and valuation gains and losses are included on the Consolidated Statements of Activities.

Investment return included in operating revenues and other support consists of amounts appropriated by the Board of Trustees from the University's pooled endowments, as well as income and realized gains and losses on investments from working capital and a trust of which the University is a partial beneficial owner. Any difference between total return and amounts appropriated for expenditure from the pooled endowments and income and realized gains reinvested per donor restrictions is reported within nonoperating activities.

***h. Life Income, Gift Annuities, and Interest in Perpetual Trusts Held by Others***

The University's split-interest agreements with donors consist primarily of gift annuity agreements and irrevocable charitable remainder trusts for which the University serves as trustee. Assets held in the trusts are included in investments and total \$11,814 and \$14,597 at June 30, 2022 and 2021, respectively. Contribution revenues are recognized when trusts (or annuity agreements) are established, after recording liabilities for the present value of the estimated future payments to be made to beneficiaries. The liabilities are adjusted annually for changes in the value of assets, accretion of the discount, and other changes in the estimates of future benefits. Discount rates are used to calculate the net present

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

value of the obligations, and are based on market rates commensurate with the beneficiary's life expectancy. As of June 30, 2022 and 2021 liabilities associated with split interest agreements total \$7,473 and \$8,421, respectively.

The University is also the beneficiary of certain perpetual trusts held and administered by others. The present value of the estimated future cash receipts from the trusts is recognized in investments and as contribution revenue. The carrying value of the investments is adjusted annually for changes in fair value.

***i. Property, Plant and Equipment***

Land, buildings, capital improvements, equipment, capitalized software exclusive of implementation costs for hosting arrangements considered service contracts, special collections and construction-in-progress are stated at cost at the time of acquisition or fair value (if contributed). Asset retirement costs are initially recorded at fair value and are included in buildings and capital improvements.

Special collections include works of art, literary works, historical treasures and artifacts that are maintained in the University's libraries and public areas of the campus. These collections are protected and preserved for public exhibition, education, research and the furtherance of public service.

Contributed property, plant and equipment, including special collections, are recognized as revenue in the period in which the items are gifted. Property, plant and equipment acquired through federal appropriations, grants and contracts where the Federal Government retains a reversionary interest are also capitalized and depreciated. Interest on borrowings during construction is capitalized.

Depreciation is recognized using the straight-line method with useful lives of 30 to 50 years for buildings, 8 to 30 years for building improvements, 10 to 30 years for site improvements, 4 to 15 years for automobiles, furniture, fixtures and equipment, and 3 to 10 years for software exclusive of implementation costs for hosting arrangements considered service contracts. Land, special collections and construction-in-progress are not depreciated. The cost and accumulated depreciation of property, plant and equipment sold or retired have been eliminated. Costs incurred for maintenance, repairs and renewals of relatively minor items are expensed as incurred.

Finance lease ROU assets are included in equipment and software in property, plant and equipment on the Consolidated Balance Sheets.

***j. Premium on Long-Term Debt***

Premiums arising from the original issuance of long-term debt are amortized on the effective interest method over the life of the debt. The unamortized portion of these premiums is included in long-term debt on the Consolidated Balance Sheets.

***k. Classifications of Net Assets***

The University reports its net assets and changes therein according to two classifications: without donor restrictions and with donor restrictions based upon the existence or absence of donor-imposed restrictions. Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without restrictions with the exception of investment expenses which are reported in both net asset classes.

***Net Assets Without Donor Restrictions***

Net assets without donor restrictions are derived from tuition, sales and services of auxiliaries, contributions, and other support that are not subject to explicit donor-imposed restrictions. Certain net assets classified as without donor restrictions for external reporting purposes are board-designated for specific purposes or uses under various internal operating and administrative arrangements of the University.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are derived from contributions (from donors and grantors) or income and gains on contributed assets, including the original amount of gifts which donors have given to be maintained in perpetuity, as well as net assets from endowments not yet appropriated for spending by the University that are subject to explicit donor-imposed restrictions on expenditure. Restrictions include support for specific colleges or academic programs, professorships, research, faculty support, scholarships and fellowships, building construction and other purposes.

When time and purpose restrictions expire, net assets with donor restrictions are reclassified to net assets without donor restrictions. The University uses the simultaneous release option to report conditional contributions with donor restrictions that are recognized and expensed in the same reporting period as revenue without donor restrictions. This allows the University to bypass the need to initially record these resources in net assets with donor restrictions and subsequently release them.

Classification of net assets by restriction and purpose as of June 30 are summarized as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 422,478	\$ -	\$ 422,478
Postretirement	117,703	-	117,703
Program support	52,155	-	52,155
Scholarships	29,959	-	29,959
Professorships	33,655	-	33,655
Facilities	15,740	744	16,484
<b>Total board designated net assets</b>	<b>671,690</b>	<b>744</b>	<b>672,434</b>
Other net assets:			
Endowment funds <sup>1,2</sup>	-	584,347	584,347
Pledges for long-lived assets	-	46,476	46,476
Designated for program services	-	38,527	38,527
Annuities <sup>1</sup>	-	3,602	3,602
Grants and contracts	-	728	728
Loan funds <sup>1</sup>	-	140	140
Net investment in plant	471,645	44	471,689
Net expendable resources	92,648	-	92,648
<b>Total other</b>	<b>564,293</b>	<b>673,864</b>	<b>1,238,157</b>
<b>Total</b>	<b>\$ 1,235,983</b>	<b>\$ 674,608</b>	<b>\$ 1,910,591</b>

<sup>1</sup> Endowment funds, annuities and loan funds include \$217,669, \$2,921 and \$136 of net assets restricted in perpetuity, respectively, totaling \$220,726

<sup>2</sup> Includes term endowment funds totaling \$3,082

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total Net Assets
Board designated net assets:			
General	\$ 423,231	\$ -	\$ 423,231
Postretirement	138,804	-	138,804
Program support	54,731	-	54,731
Scholarships	31,476	-	31,476
Professorships	25,626	-	25,626
Facilities	16,326	813	17,139
<b>Total board designated net assets</b>	<b>690,194</b>	<b>813</b>	<b>691,007</b>
Other net assets:			
Endowment funds <sup>1,2</sup>	-	611,866	611,866
Pledges for long-lived assets	-	41,794	41,794
Designated for program services	-	35,619	35,619
Annuities <sup>1</sup>	-	5,139	5,139
Grants and contracts	-	1,095	1,095
Loan funds <sup>1</sup>	-	138	138
Net investment in plant	455,826	44	455,870
Net expendable resources	64,367	-	64,367
<b>Total other</b>	<b>520,193</b>	<b>695,695</b>	<b>1,215,888</b>
<b>Total</b>	<b>\$ 1,210,387</b>	<b>\$ 696,508</b>	<b>\$ 1,906,895</b>

<sup>1</sup> Endowment funds, annuities and loan funds include \$210,680, \$4,370 and \$134 of net assets restricted in perpetuity, respectively, totaling \$215,184

<sup>2</sup> Includes term endowment funds totaling \$3,175

***I. Operations***

Revenues earned and expenses incurred during the fiscal year are classified on the University's Consolidated Statements of Activities as either operating or nonoperating activity. Operating revenues and other support and expenses consist primarily of those items attributable to the University's education and training programs, sales and services of auxiliaries and research activities.

Nonoperating activities within the Consolidated Statements of Activities consist primarily of contributions from donors and grantors for building construction and renovation, realized and unrealized gains and losses on investments, long-term benefit plan obligation funding changes and other activities not attributable to the current year.

***m. Revenue Recognition***

***Exchange Transactions***

The University recognizes revenue from exchange transactions when there is a transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The primary sources of revenue from contracts with customers consist of tuition and fees, sales and services of auxiliaries and exchange transactions with grantors.

***Tuition and Fees***

Tuition and fees revenue, comprised of tuition for undergraduate and graduate students enrolled in classes and required fees, is recognized in the fiscal year in which the academic programs are delivered. The acceptance letter conveys enrollment expectations, provides information regarding tuition price, anticipated

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

financial aid and required payment schedules, and outlines each party's rights and obligations. Since the student provides consideration in exchange for instruction, the contract has commercial substance and based on experience, the University expects to receive the payments due under the contract. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation corresponding to tuition and fees is the delivery of instruction and it is satisfied over the stated period of the contract, which is the academic term. The time period between when revenue is recognized and when payment is due is not significant. Tuition revenue reflects reductions attributable to discounts in the form of scholarship awards, credits and refunds which are recognized as a reduction of the transaction price at the time revenue for the corresponding contract is recognized.

**Sales and Services of Auxiliaries**

Revenue from sales and services of auxiliaries consists primarily of revenue received from student housing and dining contracts. Contracts are created when students make their housing and dining elections for the academic semester, which contain the terms of the contracts and each party's rights and obligations regarding the goods or services to be transferred. Housing revenue includes rental income for undergraduate and graduate students that reside in University-owned dormitories and apartments and RIT Inn revenue for events, student housing, and hotel guests. Dining revenue primarily includes Dining Dollars meal plans and food and beverage purchases in University-operated facilities by students, employees, and visitors. Revenue from meal plans is included in deferred revenue until spent or the student is no longer enrolled at the University. Since the student provides consideration in exchange for housing and dining during the academic term, the contracts have commercial substance and based on experience, the University expects to receive the payments due under the contracts. The University uses the portfolio approach to assess the probability of collectability.

The performance obligation associated with housing and dining contracts is satisfied over a period of time as the student simultaneously receives and consumes the benefits performed by the University. The time period between when revenue is recognized on these fixed price contracts and when payment is due is not significant. Revenue from the RIT Inn & Conference Center is earned over the time period of the guests' stay and event revenue is recognized at a point in time when the event takes place. Payment is due at the time of service. The performance for individual food and beverage transactions at University-operated establishments is satisfied at a point in time and revenue is recognized based on the amount of consideration received at the time of purchase, including applicable discounts.

**Contracts with Grantors**

Revenue from contracts with grantors consists primarily of goods or services which provide direct benefit and have commercial value to the resource provider, including proprietary rights, patents, copyrights, or advance and exclusive knowledge of research outcomes. Payment terms vary by grantor; however, the time period between when revenue is recognized and when payment is due is not significant. Contracts entered into with grantors typically contain a single performance obligation (i.e. proprietary rights to research outcomes) and revenue is recognized over the life of the contract based on when expenses are incurred. When contracts contain milestone requirements, revenue is recognized upon the completion of those milestones and acceptance by the grantor. Revenue is measured as the amount of consideration the University expects to receive in exchange for goods, services, or proprietary rights. Contracts are evaluated for uncollectable consideration based upon management's judgment, analysis of the creditworthiness of the grantors, past collection experience and other relevant factors.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**Contributions**

The University recognizes revenue from donors' and grantors' contributions, including unconditional promises to give, in the period received. Unconditional promises to give are recorded as revenue with donor restrictions and released to net assets without donor restrictions as restrictions are met or qualifying expenses are incurred.

The University receives contributions for which promises to give are conditional upon incurring certain qualifying allowable expenses, matching requirements under the grant program and other conditions that depend on future events. The University recognizes such revenue in the period the conditions are met.

**n. Income Taxes**

The University and its consolidated U.S. subsidiaries, except for Fund I and its subsidiary, are not-for-profit organizations, and generally exempt from income taxes on related income under Section 501(c)(3) of the Internal Revenue Code (IRC) but are subject to unrelated business income tax on activities not related to their exempt purposes. Fund I, a limited liability company of which RIT is the investor member, is classified as a disregarded entity for federal income tax purposes. The accounting for income taxes Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification addresses the determination of whether certain tax positions result in benefits claimed or expected to be claimed on a tax return and whether they should be recorded in the Consolidated Financial Statements. For tax-exempt entities, tax positions include the entity's tax-exempt status and assumptions used to determine unrelated business taxable income. The University believes its tax positions meet the more-likely-than-not recognition threshold referenced in the Topic.

**o. Accounting Pronouncements**

FASB issues Accounting Standards Updates (ASUs) that are applicable to and have an impact on the Consolidated Financial Statements. The University evaluates and implements pronouncements by the effective fiscal year end date or prior if early adoption is permitted and deemed appropriate. The adoption of certain ASU's is pending further evaluation as noted.

**Implemented**

**ASU No. 2018-14, "Compensation – Retirement Benefits - Defined Benefit Plans (Topic 715-20): Disclosure Framework – Changes to the Disclosure Requirements for Defined Benefit Plans"**

The guidance was issued to improve the effectiveness of disclosures and provide additional clarity for financial statement users. The adoption of this standard resulted in the removal and addition of certain information within the postretirement disclosure presentation in Footnote 12. The University has retrospectively adopted ASU 2018-14 for both periods presented.

**ASU No. 2020-07, "Not-for-Profit (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets"**

This pronouncement was designed to increase transparency in the presentation of contributed nonfinancial assets for not-for-profit entities. The adoption of the standard resulted in the inclusion of additional information regarding contributed nonfinancial assets within the Statement of Activities and enhanced disclosures in Footnote 17. The University has retrospectively adopted the standard for both periods presented.

As a result of the adoption of ASU No. 2020-07, the Consolidated Statements of Activities are reclassified as follows:

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Contributions of long-term assets as previously presented	\$ 4,798	\$ 9,188	\$ 13,986
Contributions of cash and other financial assets for long-term assets as adopted	17	9,188	9,205
Contributions of nonfinancial assets for long-term use as adopted	4,781	-	4,781



**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

***Under Evaluation***

ASU No. 2016-13 “Measurement of Credit Losses on Financial Instruments (Topic 326)” replaces the current GAAP incurred loss impairment methodology with one that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. This ASU was issued in June 2016 and the effective date, as prescribed by ASU No. 2019-10, is the fiscal year ended June 30, 2024.

***p. Risks and Uncertainties***

The University's investments are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of investments, it is at least possible that changes in risks in the near term would materially affect the amounts reported in the financial statements.

Market risks include global events which could impact the value of investment securities, such as a pandemic or international conflict. The values of certain investments have and will fluctuate in response to changing market conditions and therefore, the amount of gains or losses that will be recognized in subsequent periods, if any, cannot be determined. The University made significant adjustments to its campus facilities and business operations, in response to the COVID-19 pandemic, to re-open for the Fall term in academic year 2020-21. The University continues to evaluate and modify its operations in response to the COVID-19 pandemic, as needed, taking into consideration expert agencies guidelines and information from health officials. As of the issuance of these financial statements, impact on operations as a result of the COVID-19 pandemic continues and it is at least possible that changes in risks in the near term could materially affect the amounts reported herein.

**2. Accounts Receivable**

Accounts receivable as of June 30 are summarized as follows:

	<b>2022</b>	<b>2021</b>
Grants and contracts:		
Federal and state sources	\$ 1,928	\$ 1,691
Private sources	999	562
<b>Total grants and contracts</b>	<b>2,927</b>	<b>2,253</b>
Student accounts	11,575	14,289
Other	5,478	6,897
<b>Total student accounts and other</b>	<b>17,053</b>	<b>21,186</b>
Total accounts receivable	19,980	23,439
Less: allowance for doubtful accounts	(3,258)	(3,404)
<b>Accounts receivable, net</b>	<b>\$ 16,722</b>	<b>\$ 20,035</b>

Receivables as of June 30, 2022 are expected to be collected by June 30, 2023.

**3. Leases**

The University's lease portfolio primarily consists of real estate and equipment leases with varying lengths and payments. The University determines if an arrangement is a lease at inception and the terms are evaluated to determine if there is an identified asset and the contract conveys the right to control the use of the asset in exchange for consideration. Finance and operating lease ROU assets and lease obligations are recognized based on the present value of the future minimum lease payments over the lease term at commencement date.

The lease ROU assets and obligations are calculated including options to extend or terminate the lease when it is reasonably certain that the University will exercise those options. The University uses the implicit rate noted within the contract. If not readily available, the University uses the federal treasury rate plus one hundred basis points at

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

commencement date to determine the present value of future payments. The operating lease ROU asset also includes any lease payments made and excludes incentives and any initial direct costs incurred. Operating lease expense for minimum payments is recognized on a straight-line basis over the lease term.

The University has elected the short-term lease exception under Topic 842, and as such, all leases with an initial term of 12 months or less are not recorded on the Consolidated Balance Sheets and lease expense is recognized on a straight-line basis over the term within purchased services on the Consolidated Statements of Activities.

The finance leases as of June 30 are summarized as follows:

	<b>Consolidated Balance Sheets</b>	<b>2022</b>	<b>2021</b>
Right-of-use assets, net of accumulated amortization of \$269 and \$129, respectively	Property, plant and equipment, net	\$ 714	\$ 854
Finance lease obligation	Long-term debt	(722)	(853)

Operating leases as of June 30 are summarized as follows:

	<b>Consolidated Balance Sheets</b>	<b>2022</b>	<b>2021</b>
Right-of-use assets	Inventories and other assets	\$ 10,595	\$ 11,140
Operating lease obligation	Deferred revenues and other liabilities	(10,595)	(11,140)

The following table reflects lease costs for the year ended June 30:

	<b>Consolidated Statements of Activities</b>	<b>2022</b>	<b>2021</b>
Operating lease costs	Purchased services	\$ 1,579	\$ 1,594
Finance lease costs:			
Amortization of leased assets	Depreciation	140	129
Interest on lease liabilities	Interest	25	27
Total finance lease costs		165	156
<b>Total lease costs</b>		<b>\$ 1,744</b>	<b>\$ 1,751</b>

Supplemental cash flow information related to leases for the year ended June 30 are as follows:

	<b>2022</b>	<b>2021</b>
Operating cash outflows from finance leases	\$ 25	\$ 27
Operating cash outflows from operating leases	1,579	1,594
Financing cash outflows from finance leases	131	130
<b>Total cash paid for amounts included in measurement of lease liabilities</b>	<b>\$ 1,735</b>	<b>\$ 1,751</b>
ROU assets obtained in the exchange for lease liabilities		
Finance leases	\$ -	\$ 983
Operating leases	835	12,545

The following presents the weighted-average lease terms and discount rates for operating and finance leases as of June 30, 2022:

	<b>2022</b>	<b>2021</b>
Weighted average remaining lease term (yrs) - Finance Leases	5	6
Weighted average remaining lease term (yrs) - Operating Leases	10	10
Weighted average discount rate - Finance Leases	3.18%	3.18%
Weighted average discount rate - Operating Leases	1.76%	1.76%

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

The following table includes the future maturities of lease payments for periods subsequent to June 30, 2022.

	2022		
	Operating	Financing	Total
2023	\$ 1,564	\$ 156	\$ 1,720
2024	1,512	156	1,668
2025	1,469	156	1,625
2026	1,361	156	1,517
2027	1,281	158	1,439
Thereafter	4,441	-	4,441
Undiscounted cash flows	11,628	782	12,410
Less: discount	(1,033)	(60)	(1,093)
<b>Lease obligations, net</b>	<b>\$ 10,595</b>	<b>\$ 722</b>	<b>\$ 11,317</b>

**4. Contributions Receivable**

Contributions receivable consists of the following unconditional promises to give, less related allowances for uncollectible receivables and discounts for present value on long-term pledges at June 30:

	2022		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 24,946	\$ 9,779	\$ 34,725
One year to five years	-	15,765	15,765
Over five years	-	2,147	2,147
Contributions receivable	24,946	27,691	52,637
Less: allowance and discount	-	(1,848)	(1,848)
<b>Contributions receivable, net</b>	<b>\$ 24,946</b>	<b>\$ 25,843</b>	<b>\$ 50,789</b>

	2021		
	Grantors	Donors	Total
Unconditional promises expected to be collected in:			
Less than one year	\$ 18,090	\$ 20,126	\$ 38,216
One year to five years	-	18,272	18,272
Over five years	-	2,207	2,207
Contributions receivable	18,090	40,605	58,695
Less: allowance and discount	-	(1,448)	(1,448)
<b>Contributions receivable, net</b>	<b>\$ 18,090</b>	<b>\$ 39,157</b>	<b>\$ 57,247</b>

Due to the uncertainties with regard to realizability and valuation, bequest intentions and other conditional promises are only recognized as assets if and when the specified conditions are met. The University has received conditional promises to give from grantors that depend upon the occurrence of the following future events at June 30:

	2022	2021
Cost share and qualifying allowable expenses	\$ 2,838	\$ 1,145
Cost share only	4,844	1,183
Qualifying allowable expenses or specified outcomes	100,062	131,013
<b>Conditional contributions</b>	<b>\$ 107,744</b>	<b>\$ 133,341</b>

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

As of June 30, 2022 and 2021, the University has no conditional promises to give from donors, aside from bequest intentions.

Contributions to acquire property, plant and equipment are recorded as net assets with donor restrictions and are released from restrictions at the time the asset is placed in service. As a result, \$46,476 and \$41,794 of assets contributed to acquire property, plant and equipment are recorded as net assets with donor restrictions as of June 30, 2022 and 2021, respectively.

**5. Student Loans Receivable and Credit Disclosures**

On September 30, 2017, the Federal Perkins Loan Program (Program) expired when it was not extended by the U.S. Congress. Students did not receive new loans after that date unless the student had received a disbursement before October 1, 2017 for the 2017-2018 award year.

The University's student loans receivable represents the amounts due from current and former students under the Program. Loans disbursed under the Program are assigned to the Federal Government in certain non-repayment situations. Allowances for doubtful accounts are established when a non-deferred loan is delinquent for 240 days. Outstanding loans cancelled under the Program result in a decrease in the liability to the government. Under current federal guidelines, the University has chosen to service existing Perkins Loans through a third-party administrator.

At June 30, student loans included on the Consolidated Balance Sheets consists of the following:

	<b>2022</b>	<b>2021</b>
Federal Perkins Loan Program	\$ 12,667	\$ 16,812
Less: allowance for doubtful accounts	(2,255)	(2,223)
<b>Student loans receivable, net</b>	<b>\$ 10,412</b>	<b>\$ 14,589</b>

The student loans receivable aging analysis at June 30 is as follows:

	<b>2022</b>	<b>2021</b>
Current	\$ 9,134	\$ 13,272
1-60 days past due	583	577
61-90 days past due	98	156
>91 days past due	2,852	2,807
<b>Total student loan receivables</b>	<b>\$ 12,667</b>	<b>\$ 16,812</b>

Program advances of \$11,556 and \$15,535 at June 30, 2022 and 2021, respectively, are classified as liabilities on the Consolidated Balance Sheets. The U.S. Department of Education (ED) provided direction and the University remitted the federal portion of cash on hand from June 30, 2021 and 2020 of \$4,257 and \$4,907, in fiscal year 2022 and 2021, respectively. The June 30, 2022 federal share of Perkins Loans collected during 2022 will be remitted to the Federal Government when at such time ED provides guidance. Cash on hand representing funds collected amounted to \$4,548 and \$5,989 at June 30, 2022 and 2021, respectively, which includes the federal share, and is included in cash and cash equivalents on the Consolidated Balance Sheets.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**6. Investments**

Total investments for the fiscal years ended June 30 are as follows:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Cash and short-term investments	\$ 12,008	\$ 12,008	\$ 28,307	\$ 28,307
Domestic fixed income	317,052	300,269	310,025	308,245
Global fixed income	55,636	51,209	54,878	56,319
Domestic equity securities	98,763	177,873	95,341	201,768
Global equity securities	139,206	167,250	135,142	213,790
Hedge funds	155,446	261,869	128,778	273,047
Private equity	273,923	468,247	238,474	447,404
Real assets	97,368	119,592	93,247	101,907
<b>Total investments</b>	<b>\$ 1,149,402</b>	<b>\$ 1,558,317</b>	<b>\$ 1,084,192</b>	<b>\$ 1,630,787</b>

Assets and liabilities measured and reported at fair value are classified and disclosed within one of the following categories:

**Level 1**

Quoted prices (unadjusted) in active markets for identical assets as of the measurement date. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Market price data is generally obtained from exchange or dealer markets. Investments within Level 1 may include active listed equities and exchange traded funds, option contracts traded in active markets, and certain U.S. government investments and money market securities.

**Level 2**

Pricing inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the same term of the assets. Inputs are obtained from various sources including market participants, dealers and brokers. Investments within Level 2 may include investment-grade corporate bonds, less liquid listed equities, option contracts, certain mortgage products, bank loans, and U.S. government investments.

**Level 3**

Pricing inputs are unobservable and include situations where there is little, if any, market activity for the investment. Investments within Level 3 primarily consist of the University's ownership in closely held private companies and the cash surrender value of insurance contracts.

**Net Asset Value**

The University is permitted as a practical expedient under GAAP to estimate the fair value of an investment at the measurement date using the reported net asset value (NAV) without further adjustment unless the University expects to sell the investment at a value other than NAV or if the NAV is not calculated in accordance with GAAP. The University's investments in commingled funds, hedge funds, and private equity and real asset limited partnerships are recorded at fair value based on the most recent NAV reported by the investment manager. The NAV of these investments is determined by the investment manager, and is based on appraisal or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the investment manager, taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

which the securities relate. The University has performed due diligence around these investments to ensure that NAV is an appropriate measure of fair value as of June 30 and has concluded that these valuations are a reasonable estimate of fair value as of June 30, 2022 and 2021, but are subject to uncertainty and, therefore, may differ from the value that would have been used had an active market for all of the investments existed.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Furthermore, the fair value hierarchy does not correspond to a financial instrument's relative liquidity in the market or to its level of risk.

Following is a summary of the University's investments carried at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 429	\$ 11,579	\$ -	\$ -	\$ 12,008
Domestic fixed income	197,922	102,129	218	-	300,269
Global fixed income	48,356	-	-	2,853	51,209
Domestic equity securities	44,024	-	-	133,849	177,873
Global equity securities	11,814	-	-	155,436	167,250
Hedge funds	-	-	-	261,869	261,869
Private equity	-	-	-	468,247	468,247
Real assets	26,654	-	-	92,938	119,592
<b>Total investments at fair value</b>	<b>\$ 329,199</b>	<b>\$ 113,708</b>	<b>\$ 218</b>	<b>\$ 1,115,192</b>	<b>\$ 1,558,317</b>

Following is a summary of the University's investments carried at fair value as of June 30, 2021:

	Level 1	Level 2	Level 3	Net Asset Value	Total
Cash and short-term investments	\$ 11,229	\$ 17,078	\$ -	\$ -	\$ 28,307
Domestic fixed income	143,834	164,186	225	-	308,245
Global fixed income	51,921	-	-	4,398	56,319
Domestic equity securities	46,396	-	-	155,372	201,768
Global equity securities	14,901	-	-	198,889	213,790
Hedge funds	-	-	-	273,047	273,047
Private equity	-	-	188	447,216	447,404
Real assets	24,150	-	-	77,757	101,907
<b>Total investments at fair value</b>	<b>\$ 292,431</b>	<b>\$ 181,264</b>	<b>\$ 413</b>	<b>\$ 1,156,679</b>	<b>\$ 1,630,787</b>

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2022:

<b>Asset Class</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if currently eligible)</b>	<b>Redemption Notice Period</b>	<b>Redemption Restrictions<sup>1</sup></b>
Global fixed income	\$ 2,853	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	133,849	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	155,436	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	261,869	5,000	30 to more than 365 days	35 to 90 days	1 year lock up on 8% of allocation; all other lock up provisions expired
Private equity	468,247	142,056	NA <sup>2</sup>	NA <sup>2</sup>	NA
Real assets	92,938	34,633	NA <sup>2</sup>	NA <sup>2</sup>	NA
<b>Total</b>	<b>\$ 1,115,192</b>	<b>\$ 181,689</b>			

<sup>1</sup>Represents initial investment lock up restriction. 12% of the Hedge funds allocation is subject to between a 25% and 33.3% annual redemption gate.

<sup>2</sup>The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

The following table provides additional information about the University's investments which are recorded at NAV as of June 30, 2021:

<b>Asset Class</b>	<b>Fair Value</b>	<b>Unfunded Commitments</b>	<b>Redemption Frequency (if currently eligible)</b>	<b>Redemption Notice Period</b>	<b>Redemption Restrictions<sup>1</sup></b>
Global fixed income	\$ 4,398	\$ -	Monthly	1 to 15 days	Lock up provisions expired
Domestic equity securities	155,372	-	Monthly	1 to 15 days	Lock up provisions expired
Global equity securities	198,889	-	Monthly	1 to 15 days	Lock up provisions expired
Hedge funds	273,047	-	30 to more than 365 days	35 to 90 days	2 year lock up on 3% of allocation; all other lock up provisions expired
Private equity	447,216	166,632	NA <sup>2</sup>	NA <sup>2</sup>	NA
Real assets	77,757	32,511	NA <sup>2</sup>	NA <sup>2</sup>	NA
<b>Total</b>	<b>\$ 1,156,679</b>	<b>\$ 199,143</b>			

<sup>1</sup>Represents initial investment lock up restriction. 4% of the Hedge funds allocation is subject to a 33.3% annual redemption gate.

<sup>2</sup>The University does not have redemption rights in these investments; the remaining lives are between 1 and 10 years.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**Total Investment Return**

Following is a summary of the total investment return and its classification on the Consolidated Statements of Activities for the years ended June 30:

	2022	2021
<b>Total investment return</b>		
Interest and dividends	\$ 21,227	\$ 15,203
Realized and unrealized (loss) gain on investments, net of investment management fees and other expenses	(57,324)	360,586
<b>Total investment return</b>	<b>\$ (36,097)</b>	<b>\$ 375,789</b>
<b>Consolidated Statements of Activities classification</b>		
Allocated for operating activities per spending policy	\$ 42,567	\$ 38,137
Interest and dividends	4,831	5,898
Total operating investment return	47,398	44,035
Nonoperating investment return	(83,495)	331,754
<b>Total investment return</b>	<b>\$ (36,097)</b>	<b>\$ 375,789</b>

**7. Endowment**

The University's endowment includes both donor-restricted endowment funds and funds designated by the Board of Trustees to function as endowments (board-designated). As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

The New York Prudent Management of Institutional Funds Act (NYPMIFA) governs the management and investment of funds held by not-for-profit corporations and other institutions. Absent donor stipulations to the contrary, the statutory guidelines contained in NYPMIFA relate to the prudent management, investment and expenditure of donor-restricted endowment funds without regard to the original value of the gifts. However, NYPMIFA contains specific factors that must be considered prior to making investment decisions or appropriating funds for expenditure.

The Board of Trustees' interpretation of its fiduciary responsibilities for donor-restricted endowment funds under New York State's Not-for-Profit Corporation Law, including NYPMIFA, is to preserve intergenerational equity to the extent possible by prudently managing, investing, and spending from the endowment funds. This principle holds that future endowment beneficiaries should receive at least the same level of economic support that the current generation receives. As a result of this interpretation, the University classifies as net assets with donor restrictions the unappropriated portion of: a) the original value of gifts donated to a true endowment fund; b) the original value of subsequent gifts to a true endowment fund; and, c) accumulations to a true endowment fund made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Also included in net assets with donor restrictions is accumulated appreciation on donor-restricted endowment funds which are available for expenditure in a manner consistent with the donor's intent and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

The Board of Trustees determines the appropriate amount to withdraw from endowment and similar funds on an annual basis to provide support for operations with prudent concern for the long-term growth in the underlying assets as well as the specific factors detailed in NYPMIFA.

To satisfy its long-term rate-of-return objectives, the University relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The University targets a diversified asset allocation that places a greater emphasis on equity-based and alternative investments to achieve its long-term objectives within prudent risk constraints.



**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

The University currently accounts for endowment activity in two investment pools: Pool I and Pool II. Pool I is comprised of contributions, both donor-restricted and board-designated, made to the University for a variety of purposes, as well as contributions transferred from Pool II; Pool II is comprised of contributions, both donor-restricted and board-designated, made to the National Technical Institute for the Deaf (NTID). Each pool has a separate investment and spending policy.

*Pool I* – The University has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 20 quarters through March of the preceding fiscal year in which the distribution is planned. The total spending distribution should be at least equal to 3.50% but not greater than 5.25% of the beginning of year portfolio market value. The distribution excludes those funds with deficiencies due to unfavorable market fluctuations. During periods when investment return exceeds the distribution, such excess return is added to these investments. Likewise, when investment return is less than the distribution, such deficit is funded by accumulated return. In establishing the distribution policy, the University considered the long-term expected return on its endowment. New gifts to existing funds participate in the spending policy in the quarter that begins subsequent to the date of the gift. New funds participate in the spending policy in the quarter that begins one year subsequent to the date of the gift. Accordingly, over the long term, the University expects the current spending policy to allow its endowment to grow at a rate exceeding expected inflation, consistent with the University's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as, to provide additional real growth through new gifts and investment return. In 1994, the University's Board of Trustees established a board-designated fund within Pool I to finance a portion of the University's postretirement medical obligations. Distributions had been reinvested in the fund each year since inception, and, accordingly, were not available to support the general operations of the University. In 2013, the University's Board of Trustees approved a resolution allowing, with the approval of the chair of the Finance Committee, a portion or all of a year's distributions related to the board-designated postretirement fund to be allocated to support the general operations of the University. No elections were made during the years ended June 30, 2022 and 2021. The market value for this board-designated fund was \$117,703 and \$138,804 at June 30, 2022 and 2021, respectively.

*Pool II* – The University established Pool II for NTID during 1989 in accordance with the federal program established by Public Law 99-371 (August 4, 1986) to support NTID. Pool II assets are invested in a manner intended to produce price and yield results that are at least equal to a blended benchmark of 70% of the S&P 500 Index and 30% of the Barclays Capital Aggregate Bond Index, assuming a moderate level of investment risk. The program stipulates that the investment of annual additions to Pool II is restricted to IRC 501(f) investment organizations. The federal guidelines authorize a spending distribution from Pool II of not more than 50% of current year's investment income (interest and dividends only). After a period of 10 years, the University can elect to invest the funds consistent with the University's overall long-term investment strategy (Pool I).

At June 30, 2022, the endowment net asset composition by type of fund consists of the following:

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Donor-restricted funds	\$ -	\$ 584,347	\$ 584,347
Board-designated funds	671,690	744	672,434
<b>Total funds</b>	<b>\$ 671,690</b>	<b>\$ 585,091</b>	<b>\$ 1,256,781</b>

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

Following are changes in endowment net assets for the year ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2021	\$ 690,194	\$ 612,679	\$ 1,302,873
Investment return	(8,514)	(12,696)	(21,210)
Contributions	-	7,328	7,328
Amounts appropriated for expenditure	(20,360)	(22,220)	(42,580)
Other changes:			
Transfers to create board-designated endowment funds	10,370	-	10,370
<b>Endowment net assets, June 30, 2022</b>	<b>\$ 671,690</b>	<b>\$ 585,091</b>	<b>\$ 1,256,781</b>

At June 30, 2021, the endowment net asset composition by type of fund consists of the following:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted funds	\$ -	\$ 611,866	\$ 611,866
Board-designated funds	690,194	813	691,007
<b>Total funds</b>	<b>\$ 690,194</b>	<b>\$ 612,679</b>	<b>\$ 1,302,873</b>

Following are changes in endowment net assets for the year ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, June 30, 2020	\$ 501,338	\$ 452,694	\$ 954,032
Investment return	193,951	174,657	368,608
Contributions	-	6,150	6,150
Amounts appropriated for expenditure	(17,275)	(20,822)	(38,097)
Other changes:			
Transfers to create board-designated endowment funds	12,180	-	12,180
<b>Endowment net assets, June 30, 2021</b>	<b>\$ 690,194</b>	<b>\$ 612,679</b>	<b>\$ 1,302,873</b>

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the NYPMIFA requires the University to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets with donor restrictions. It is the University's policy to exclude these funds from the spending distribution until the fund's fair value is equal to or greater than the perpetual value. Subsequent gains that restore the fair value of the assets of such endowment funds to the required level are classified as an increase in net assets with donor restrictions. As of June 30, 2022, funds with an original gift value of \$1,754 had deficiencies of \$100. There were no deficiencies of this nature as of June 30, 2021.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**8. Liquidity and Available Resources**

The University's financial assets and resources available to meet cash needs for general expenditures within one year of the date of the Consolidated Balance Sheets are as follows:

	2022	2021
Cash and cash equivalents	\$ 116,880	\$ 113,842
Accounts receivable, net	16,722	20,035
Non-endowment contributions receivable, net	30,965	38,216
Student loans receivable, net	901	1,387
Investments:		
Working capital investments	253,361	224,213
Appropriated for spending in the following year	47,651	42,460
<b>Financial assets available within one year</b>	<b>\$ 466,480</b>	<b>\$ 440,153</b>

As part of the University's liquidity management strategy, its financial assets are structured to be available as expenditures, liabilities and other obligations come due. The University allocates cash in excess of daily requirements to short-term investments. When determining the availability of resources to meet cash requirements within one year, the University considers general expenditures to be those related to its mission-related activities as well as the delivery of services undertaken to support its day-to-day operations. In addition to these available financial assets, a significant portion of the University's annual expenditures are funded by current year operating revenues and other support including tuition and fees, sales and services of auxiliaries and grants and contracts. Endowment funds appropriated for spending and contributions receivable, subject to donor-restrictions where applicable, are considered available for general liquidity purposes.

Additionally, the University maintains board-designated funds of \$672,434 and \$691,007 as of June 30, 2022 and 2021, respectively. Although the University does not intend to spend from this endowment, other than amounts appropriated for expenditure as part of its annual appropriation process, amounts from its board-designated funds could be made available for liquidity needs, if necessary. However, both the board-designated and donor-restricted endowments contain investments with lock-up provisions that reduce the total investments that could be made available. (Refer to Note 6 for disclosures about investments).

**9. Property, Plant and Equipment**

Property, plant and equipment, less related depreciation on certain asset categories at June 30, is as follows:

	2022	2021
Buildings and capital improvements	\$ 1,126,860	\$ 1,114,503
Equipment and software	156,881	156,296
Less: accumulated depreciation	(680,589)	(644,591)
Depreciable property, plant and equipment, net	603,152	626,208
Land	11,924	11,924
Special collections	13,020	13,073
Construction-in-progress	96,178	30,405
<b>Property, plant and equipment, net</b>	<b>\$ 724,274</b>	<b>\$ 681,610</b>

Total depreciation expense for 2022 and 2021 was \$42,305 and \$42,808, respectively.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**10. Asset Retirement Obligations**

The University accounts for asset retirement obligations, primarily asbestos-related removal costs, in accordance with asset retirement and environmental obligations guidance. The University accrues for asset retirement obligations in the period incurred if sufficient information is available to reasonably estimate the fair value of the obligation. Over time, the liability is accreted to its settlement value. Upon settlement of the liability, the University will recognize a gain or loss for any difference between the settlement amount and liability recorded.

The University reassesses its asset retirement obligations annually, adjusting both the liability, included in deferred revenues and other liabilities, and the associated asset retirement costs, included in property, plant and equipment, on the Consolidated Balance Sheets.

The following schedule reflects changes in asset retirement obligations for the year ended June 30:

	<b>2022</b>	<b>2021</b>
Beginning balance	\$ 26,993	\$ 23,220
Change in estimate	2,591	(475)
Abatement liability incurred	-	3,823
Abatement liability settled	(760)	(481)
Accretion expenses	996	906
<b>Ending balance</b>	<b>\$ 29,820</b>	<b>\$ 26,993</b>

**11. Deferred Revenue**

Deferred revenue from customer contracts represents amounts collected from, or invoiced to, customers in advance of revenue recognition. The deferred revenue balance will increase or decrease based on the timing of invoices and recognition of revenue. The University has elected the practical expedient under Topic 606 to forego disclosing information about remaining performance obligations that have original expected durations of one year or less. Significant changes in deferred revenue liability balances during the years ended June 30 are as follows:

	<b>2022</b>				
	<b>Balance at June 30, 2021</b>	<b>Revenue Recognized</b>	<b>Consideration Received in Advance of Performance</b>	<b>Refunds and Other Adjustments</b>	<b>Balance at June 30, 2022</b>
Student related revenues	\$ 20,478	\$ (20,250)	\$ 21,951	\$ (231)	\$ 21,948
Tuition prepayment program	3,923	(3,038)	3,111	(120)	3,876
Contracts with grantors	2,170	(1,658)	1,534	-	2,046
Other	1,062	(863)	1,211	1	1,411

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

	2021				
	Balance at June 30, 2020	Revenue Recognized	Consideration Received in Advance of Performance	Refunds and Other Adjustments	Balance at June 30, 2021
Student related revenues	\$ 24,969	\$ (24,144)	\$ 19,597	\$ 56	\$ 20,478
Tuition prepayment program	5,137	(3,678)	1,922	542	3,923
Contracts with grantors	3,157	(1,683)	696	-	2,170
Other	1,453	(2,197)	1,830	(24)	1,062

Student related revenues consist of tuition, sales and services of auxiliaries, advance deposits, and student credit balances and represent payments received in advance of the period when services will be rendered and performance obligations met. These deferred revenue balances will be recognized as revenue over the academic terms beginning and ending in the following fiscal year as services are rendered.

Tuition prepayments will be recognized as revenue over the respective academic terms when performance obligations are met beginning July 1, 2022 through June 30, 2026. Anticipated recognition of revenue for the fiscal years ended June 30 are as follows:

2023	\$ 1,854
2024	1,016
2025	645
2026	361
	<b>\$ 3,876</b>

Other deferred revenue consists of general customer contracts with performance obligations that will be met and revenue recognized during the fiscal year ended June 30, 2023.

## 12. Benefit Plans

### **a. Retirement Benefit Plan**

The Rochester Institute of Technology Retirement Savings Plan (Plan) is a defined contribution plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA) and IRC Section 403(b). The Plan is available to all employees who meet certain eligibility requirements. Plan contributions are invested in one or more of the funding vehicles made available to participants under the Plan. Contributions may be allocated to annuity contracts offered by Teachers Insurance Annuity Association (TIAA) and/or custodial accounts which are invested in regulated investment companies (mutual funds) offered by Fidelity Investments (Fidelity). In addition, employees may choose to invest in a self-directed brokerage account through which they can access additional mutual fund options. TIAA and Fidelity are recordkeepers of the Plan. It is the University's policy to currently fund defined contribution pension costs as they are incurred. Total retirement contribution expense for 2022 and 2021 was \$22,372 and \$22,195, respectively.

### **b. Postemployment Benefits**

The accrued postemployment benefits of the University were \$470 and \$632 at June 30, 2022 and 2021, respectively.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**c. Postretirement Benefits**

The University sponsors a defined benefit medical plan that covers substantially all employees.

**Eligibility**

Employees hired prior to January 1, 1995 are eligible for retiree medical benefits if they are at least 50 years old, with at least 10 years of service (5 years if hired prior to July 1, 1990) and age plus service total at least 70 at retirement. Employees hired on or after January 1, 1995 are eligible for retiree medical benefits if they are at least 55 years old, with at least 10 years of service, and age plus service totals at least 70 at retirement.

Employees hired prior to January 1, 2019 who are at least 45 years of age or have at least 10 years of full-time service or 15 years of eligible part-time service as of January 1, 2019 are grandfathered into the pre-January 1, 2019 retirement eligibility conditions. For employees who are not grandfathered or are hired on or after January 1, 2019, retirement eligibility is at least age 62 with 15 years of full-time service (20 years of eligible part-time service).

**Delivery of Medical Benefits**

**Pre-Medicare retirees:**

Retirees contribute towards the cost of coverage based on the plan option selected and salary at retirement, but are required to pay a larger contribution than active employees.

**Medicare-eligible retirees:**

Retirees and spouses receive an annual health reimbursement account (HRA) allocation from the University to obtain healthcare coverage via a private healthcare exchange.

HRA allocations vary based on the retiree classifications described above, with earlier hire dates receiving a greater HRA allocation. Coverage from the healthcare exchange includes reimbursement for drug claims in the catastrophic tier under Medicare Part D.

The postretirement medical plan's obligations and applicable discount rates as of June 30 are as follows:

	2022	2021
<b>Change in projected benefit obligation</b>		
Postretirement benefit obligation at beginning of year	\$ 138,804	\$ 139,958
Service cost	4,582	4,691
Interest cost	4,142	4,090
Participants' contributions	732	607
Actuarial gain	(24,735)	(5,393)
Benefits paid	(5,822)	(5,149)
<b>Postretirement benefit obligation at end of year</b>	<b>\$ 117,703</b>	<b>\$ 138,804</b>
<b>Amounts recognized in net assets without donor restrictions consist of:</b>		
Net prior service credit	\$ (51,608)	\$ (58,588)
Net (gain) loss	(5,267)	21,146
<b>Accumulated income in net assets without donor restrictions</b>	<b>\$ (56,875)</b>	<b>\$ (37,442)</b>
<b>Discount rates</b>		
Net periodic benefit cost	3.04%	2.98%
Year-end benefit obligation	5.01%	3.04%

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

The net actuarial gain for the fiscal year ending June 30, 2022 is primarily the result of updates to the discount rate and assumptions for retiree election and termination rates. These gains were partially offset by changes to retirement rates and updated health care cost trend assumptions. The net actuarial gain for the fiscal year ending June 30, 2021 is primarily the result of the update to the discount rate and lower than expected pre-65 per capita costs, partially offset by changes to the post-65 HRA utilization assumption.

The components of net periodic postretirement benefit costs are as follows at June 30:

	2022	2021
Operating activities:		
Service cost	\$ 4,582	\$ 4,691
Nonoperating activities:		
Interest cost	4,142	4,090
Amortization of unrecognized prior service benefit	(6,980)	(6,980)
Amortization of net losses	1,678	2,328
Total nonoperating activities	(1,160)	(562)
<b>Net periodic postretirement benefit cost</b>	<b>\$ 3,422</b>	<b>\$ 4,129</b>

Postretirement benefit changes of \$19,433 and \$741 for the fiscal years ending June 30, 2022 and 2021, respectively, consisting of prior service credit amortization, net actuarial loss amortization and experience gains are included in nonoperating activities on the Consolidated Statements of Activities.

Amortization of prior service costs or credits which result from changes to plan provisions and amortization of actuarial net gains or losses which result from experience different from assumed and from changes in assumptions (excluding asset gains and losses not yet reflected in market-related value) are included as components of Net Periodic Postretirement Benefit Cost/(Income) for a year. The amortization of actuarial net gain or loss is the net gain or loss divided by the average remaining service period to full eligibility for participating employees expected to receive benefits under the postretirement medical plan.

The postretirement medical plan's health care cost trend rate assumptions are as follows at June 30:

	2022	2021
Initial rate	7.5%	6.5%
Ultimate rate	5.0%	5.0%
Fiscal year of ultimate rate	2032	2024

**Benefit Payments**

At June 30, the University's aggregated future estimated postretirement benefit payments, which reflect future services, are as follows:

2023	\$ 5,670
2024	6,161
2025	6,678
2026	7,234
2027	7,754
2028-2032	44,503

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**d. Self-insurance Plans**

The University is self-insured for medical, prescription drug and dental benefits. Based on estimates provided by its actuaries, the University's obligation for health care claims incurred but not reported is \$2,337 and \$2,272 as of June 30, 2022 and 2021, respectively. The University is also self-insured for workers compensation and has established a liability for asserted and unasserted claims totaling \$4,730 and \$5,033 as of June 30, 2022 and 2021, respectively. These amounts are included in accounts payable and accrued expenses on the Consolidated Balance Sheets.

**13. Long-Term Debt**

The University has entered into various agreements for the purpose of financing construction, renovation and improvement of its facilities and equipment. Long-term debt outstanding for these purposes, net of applicable unamortized premium/discount and debt issuance costs as of June 30, is as follows:

<b>Issue</b>	<b>Interest Rate(s)<sup>1</sup></b>	<b>Type of Rate</b>	<b>Maturity</b>	<b>2022</b>	<b>2021</b>
Tax-exempt revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2006A	5.25%	Fixed	7/1/22	\$ 5,350	\$ 10,435
Series 2012	4.00%	Fixed	7/1/22	1,780	3,505
Series 2019A	4.00% - 5.00%	Fixed	7/1/49	119,635	119,635
Series 2020A	5.00%	Fixed	7/1/40	44,490	47,800
Taxable revenue bonds:					
Dormitory Authority of the State of New York (DASNY)					
Series 2019B	2.19% - 3.44%	Fixed	7/1/42	144,475	145,700
Other debt	3.18% - 3.56%	Variable	Various	983	1,151
Total long-term debt, principal				316,713	328,226
Bond premium/discount, net				28,343	30,189
Unamortized debt issuance costs, net				(1,670)	(1,839)
<b>Total long-term debt, net</b>				<b>\$ 343,386</b>	<b>\$ 356,576</b>

<sup>1</sup> Represents interest rates on debt outstanding as of June 30, 2022

The required principal payments for long-term debt for each of the years in the five-year period ending June 30, 2027 and thereafter are presented below. The schedule has been prepared based on the contractual maturities of the debt outstanding at June 30:

2023	\$ 12,152
2024	11,584
2025	12,129
2026	12,464
2027	12,984
Thereafter	255,400
	<b>\$ 316,713</b>

Deposits with bond trustees consist of debt service funds and the unexpended proceeds of certain debt totaling \$90,757 and \$130,792, and are included in cash and cash equivalents held with trustees and investments on the Consolidated Balance Sheets as of June 30, 2022 and 2021, respectively.



**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

***Tax-Exempt Revenue Bonds***

The University's tax-exempt bonds are issued through DASNY, a New York State agency serving as a conduit issuer of tax-exempt debt. Proceeds from tax-exempt revenue bonds outstanding as of June 30, 2022 were used as follows:

***DASNY 2006A Series***

Insured revenue bonds were issued to advance refund a substantial portion of the outstanding aggregate principal amount of the University's 1997 Series bonds which had been issued to refund the remaining obligation of general and unconditional obligation Series E revenue bonds. Proceeds were also used to renovate on-campus housing facilities and improve the technological infrastructure of the University.

***DASNY 2012 Series***

Secured revenue bonds were issued to advance refund a portion of DASNY 2002B Series bonds and a portion of DASNY 2008A Series bonds and for the construction of a new athletic and multi-purpose facility, renovations and improvements to academic facilities, replacement of electrical infrastructure and the acquisition of University Commons Project II on-campus residential housing. During the fiscal year 2020, the University advance refunded and legally extinguished a substantial portion of 2012 Series bonds. A portion of the proceeds from the DASNY 2019B Series bonds were deposited into an irrevocable trust solely for the purpose of making debt service payments on the 2012 Series bonds.

***DASNY 2019A Series***

Unsecured revenue bonds were issued to refinance the University's taxable bank loan and for the construction of the Student Hall for Exploration and Development and a music performance theater.

***DASNY 2020A Series***

Unsecured revenue bonds were issued to forward refund a portion of the 2010 Series bonds which had been issued for the construction of a new academic building, the construction of a green data center, the expansion of athletic facilities, various other campus-wide improvements and the advance refunding of DASNY 2002A Series bonds.

***Taxable Revenue Bonds***

The University's taxable bonds are issued through DASNY. Proceeds from taxable revenue bonds outstanding as of June 30, 2022 were used as follows:

***DASNY 2019B Series***

Unsecured taxable revenue bonds were issued to advance refund a portion of the 2012 Series bonds (See DASNY 2012 Series).

***Other Debt***

Other debt consists of amounts associated with agreements the University has entered into for finance leases of equipment and furniture.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**14. Student Aid**

For the fiscal year ending June 30, aid provided to students is summarized as follows:

<b>2022</b>			
	<b>Institutional Support<sup>1</sup></b>	<b>Sponsored Support<sup>2</sup></b>	<b>Total</b>
Financial aid and merit-based scholarships	\$ 299,450	\$ 20,014	\$ 319,464
Student salaries and wages	18,909	11,093	30,002
<b>Total student aid</b>	<b>\$ 318,359</b>	<b>\$ 31,107</b>	<b>\$ 349,466</b>
<b>2021</b>			
	<b>Institutional Support<sup>1</sup></b>	<b>Sponsored Support<sup>2</sup></b>	<b>Total</b>
Financial aid and merit-based scholarships	\$ 259,168	\$ 17,171	\$ 276,339
Student salaries and wages	15,728	10,003	25,731
<b>Total student aid</b>	<b>\$ 274,896</b>	<b>\$ 27,174</b>	<b>\$ 302,070</b>

<sup>1</sup> Institutional support includes student aid from operating resources without donor restrictions.

<sup>2</sup> Sponsored support includes student aid funded from donor restricted and University designated resources and external sources, including federal, state or private grants and/or contributions.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**15. Grants and Contracts Revenue**

For the fiscal year ending June 30, revenue sources from grants and contracts are as follows:

<b>2022</b>				
	<b>Contributions</b>	<b>Exchange Transactions</b>	<b>Total</b>	
Operating activities:				
Federal <sup>1,2</sup>	\$ 153,349	\$ 9,487	\$ 162,836	
State	11,616	1,834	13,450	
Private	2,026	4,324	6,350	
<b>Total operating grants and contracts revenue</b>	<b>\$ 166,991</b>	<b>\$ 15,645</b>	<b>\$ 182,636</b>	
Nonoperating activities:				
Federal	\$ 285	\$ -	\$ 285	
State	5,029	-	5,029	
<b>Total nonoperating grants and contracts revenue</b>	<b>\$ 5,314</b>	<b>\$ -</b>	<b>\$ 5,314</b>	
<b>2021</b>				
	<b>Contributions</b>	<b>Exchange Transactions</b>	<b>Total</b>	
Operating activities:				
Federal <sup>1,3</sup>	\$ 129,702	\$ 10,136	\$ 139,838	
State	9,472	1,619	11,091	
Private	2,051	3,489	5,540	
<b>Total operating grants and contracts revenue</b>	<b>\$ 141,225</b>	<b>\$ 15,244</b>	<b>\$ 156,469</b>	
Nonoperating activities:				
Federal <sup>1</sup>	\$ 354	\$ -	\$ 354	
State	10	-	10	
<b>Total nonoperating grants and contracts revenue</b>	<b>\$ 364</b>	<b>\$ -</b>	<b>\$ 364</b>	

<sup>1</sup> Contributions include appropriation for NTID.

<sup>2</sup> Contributions include Higher Education Emergency Relief Funds (HEERF II & III) established by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) awarded to RIT totaling \$29,980, Consolidated Appropriations Act 2021, Division M, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and American Rescue Plan Act (ARPA) awarded to NTID totaling \$8,140.

<sup>3</sup> Contributions include Higher Education Emergency Relief Funds (HEERF II) established by the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) awarded to RIT totaling \$16,978 and Consolidated Appropriations Act 2021, Division M, Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) awarded to NTID totaling \$5,701.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

---

**16. National Technical Institute for the Deaf**

Under an agreement with the U.S. Department of Education (ED), the University established NTID in 1968 to provide post-secondary education and technical training for deaf and hard of hearing persons. NTID is the world's first and largest technical college for deaf students with approximately 1,166 students from the United States and other countries. The Federal Government provides funding through an appropriation, currently covering approximately 80% of NTID's total operating costs, as well as matching funds for NTID's Federal Endowment Fund. Funding is applied for annually and is subject to the Federal Government's continued support of the program.

***Operating Revenues***

The federal appropriation partially covers direct operating expenses and reimbursement to the University for tuition, fees, room and board and indirect costs for NTID students using RIT facilities. Appropriation revenues are included in grants and contracts on the Consolidated Statements of Activities and totaled \$84,470 and \$77,303 at June 30, 2022 and 2021, respectively. The remaining operating expenses are funded by tuition and fees collected from NTID students and other revenues.

NTID receives funds in its annual appropriation from ED to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. Of the amount included in grants and contracts on the Consolidated Statements of Activities, \$6,466 and \$4,397 at June 30, 2022 and 2021 respectively, was appropriated for the AIDB regional partnership.

***Nonoperating Activities***

The federal appropriation may also be used to match qualifying contributions received from donors for NTID's Federal Endowment Fund. Included in with donor restricted nonoperating government grants and contracts for long-term assets on the Consolidated Statements of Activities are federal matching funds totaling \$285 and \$354 at June 30, 2022 and 2021, respectively.

**17. Contributed Nonfinancial Assets**

For the fiscal year ending June 30, revenue sources from contributed nonfinancial assets are as follows:

	2022	2021	Programs and Activities Utilized In
Buildings and land	\$ 60	\$ 3,151	Student & Auxiliary Services, General Admin & Operations
Equipment	492	1,943	Instruction & Academic Support, Student & Auxiliary Services, General Admin & Operations
Services	413	383	Research & Public Support
Consumables	169	189	Instruction & Academic Support, Research & Public Support, General Admin & Operations
<b>Total contributed nonfinancial assets</b>	<b>\$ 1,134</b>	<b>\$ 5,666</b>	

All revenue was recognized without donor restrictions. The valuation techniques and inputs utilized to estimate fair value were on the basis of comparable prices in the open market or recent purchases.

**Rochester Institute of Technology**  
**Notes to Consolidated Financial Statements**  
**For the fiscal years ended June 30, 2022 and 2021**  
*(in thousands)*

**18. Expenses by Functional and Natural Classification**

Certain natural expenses attributable to more than one functional expense category are distributed using reasonable cost allocation methods. Depreciation, interest and plant operation and maintenance expenses are allocated to the functional categories on a square footage basis.

Expenses by functional and natural classification for the fiscal year ending June 30 are as follows:

	<b>2022</b>					
	<b>Instruction &amp; Academic Support</b>	<b>Student &amp; Auxiliary Services</b>	<b>Research &amp; Public Support</b>	<b>General Admin &amp; Operations <sup>1</sup></b>		<b>Total</b>
Compensation and benefits	\$ 275,000	\$ 70,134	\$ 44,473	\$ 33,238		\$ 422,845
Purchased services and other	49,612	78,452	27,089	5,906		161,059
Depreciation, amortization and interest	19,274	20,707	6,828	4,037		50,846
Total operating expense	\$ 343,886	\$ 169,293	\$ 78,390	\$ 43,181		\$ 634,750
Net periodic benefit cost other than service	(805)	(197)	(24)	(134)		(1,160)
<b>Total expense</b>	<b>\$ 343,081</b>	<b>\$ 169,096</b>	<b>\$ 78,366</b>	<b>\$ 43,047</b>		<b>\$ 633,590</b>

<sup>1</sup> Includes fundraising expenses of \$10,701

	<b>2021</b>					
	<b>Instruction &amp; Academic Support</b>	<b>Student &amp; Auxiliary Services</b>	<b>Research &amp; Public Support</b>	<b>General Admin &amp; Operations <sup>1</sup></b>		<b>Total</b>
Compensation and benefits	\$ 260,533	\$ 67,565	\$ 43,124	\$ 30,885		\$ 402,107
Purchased services and other	37,641	52,598	21,008	4,739		115,986
Depreciation, amortization and interest	20,538	21,460	6,727	4,168		52,893
Total operating expense	\$ 318,712	\$ 141,623	\$ 70,859	\$ 39,792		\$ 570,986
Net periodic benefit cost other than service	(389)	(95)	(11)	(67)		(562)
<b>Total expense</b>	<b>\$ 318,323</b>	<b>\$ 141,528</b>	<b>\$ 70,848</b>	<b>\$ 39,725</b>		<b>\$ 570,424</b>

<sup>1</sup> Includes fundraising expenses of \$9,868

**19. Commitments and Contingencies**

The University is involved in legal actions arising in the normal course of activities and is subject to periodic audits and inquiries by various regulatory agencies. Although the ultimate outcome of such matters is not determinable at this time, management, after taking into consideration advice of legal counsel, believes that the resolution of pending matters will not have a materially adverse effect, individually or in the aggregate, upon the Consolidated Financial Statements.

The University is committed under several construction contracts amounting to approximately \$92,283 and \$34,493 at June 30, 2022 and 2021, respectively. These contracts relate to the renovation and construction of various on-campus facilities including projects totaling \$3,805 funded by federal and state grants, \$24,274 funded by private donors and \$48,551 funded by the University's Series 2019A debt issue.

**20. Subsequent Events**

Subsequent events have been evaluated through November 10, 2022, the date the Consolidated Financial Statements were issued.

**Supplemental Schedule of Expenditures of Federal Awards**

**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>Student Financial Assistance Cluster:</b>				
Federal Supplemental Educational Opportunity Grants	84.007		\$ 1,078,908	\$ -
Federal Work-Study Program	84.033		1,981,927	
Federal Perkins Loan Program	84.038			
Outstanding loans at July 1, 2021				16,812,536
Federal Pell Grant Program	84.063			19,306,908
Federal Direct Student Loans	84.268			81,379,926
<b>Total Student Financial Assistance Cluster</b>			<b>\$ 120,560,205</b>	<b>\$ -</b>
<b>Department of Education - Appropriations from the U.S. Congress for the National Technical Institute for the Deaf:</b>				
Federal Appropriation	84.908A	H908A210001	\$ 15,586,380	\$ -
Federal Appropriation	84.908A	H908A220001	66,934,241	
Federal Appropriation	84.908A	H908A200001	1,949,512	
Federal Appropriation	84.908A	H908A210001	285,201	
<b>Total National Technical Institute for the Deaf</b>			<b>\$ 84,755,334</b>	<b>\$ -</b>
<b>Research and Development Cluster:</b>				
<b>Department of Agriculture Direct Programs</b>				
<b>Department of Agriculture</b>				
Agriculture and Food Research Initiative (AFRI)	10.310		\$ 72,110	\$ 44,817
<b>Forest Service</b>				
Forest Service	10.RD	21-CS-11330160-040	11,460	-
Cooperative Forestry Assistance	10.664		30,907	-
Research Joint Venture and Cost Reimbursable Agreements	10.707		32,555	-
<b>Subtotal Department of Agriculture Direct Programs</b>			<b>147,032</b>	<b>44,817</b>
<b>Department of Agriculture Pass-Through Programs From:</b>				
<b>Department of Agriculture</b>				
Syracuse University	10.762	SWM GRANT 2021-22/32223-06065-S01	5,030	-
Washington State University	10.309	2020-51181-32159/137743 SPC001658	87,872	-
<b>Subtotal Department of Agriculture Pass-Through Programs</b>			<b>92,902</b>	<b>-</b>
<b>Total Department of Agriculture</b>			<b>239,934</b>	<b>44,817</b>
<b>Department of Commerce Direct Programs</b>				
<b>National Oceanic and Atmospheric Administration</b>				
Marine Debris Program	11.999		31,401	-
<b>Subtotal Department of Commerce Direct Programs</b>			<b>31,401</b>	<b>-</b>
<b>Department of Commerce Pass-Through Programs From:</b>				
<b>National Institute Of Standards And Technology</b>				
Nextcorp	11.611	70NANB20H156/RCAP 2021	41,322	-
The Remade Institute	11.611	Block GrantNA	48,732	-
Sustainable Manufacturing Innovation Alliance	11.611	Block GrantNA	17,954	-
<b>National Oceanic and Atmospheric Administration</b>				
University of New Hampshire	11.008	NA17NOS0080203/L0132	55,063	9,455
Research Foundation of SUNY	11.417	NA18OAR4170096/80794/1160707/1	38,252	-
St. John Fisher University	11.429	NA20NOS4290010/NA20NOS4290010-RIT	3,384	-
Council For The Great Lakes Region	11.999	NA21NOS9990117/SUB002-RIT	23,733	-
<b>Subtotal Department of Commerce Pass-Through Programs</b>			<b>228,440</b>	<b>9,455</b>
<b>Total Department of Commerce</b>			<b>259,841</b>	<b>9,455</b>
<b>Department of Defense Direct Programs</b>				
<b>Advanced Research Projects Agency</b>				
Research and Technology Development	12.910		273,894	-
<b>Army Materiel Command</b>				
Army Materiel Command	12.RD	W62P1J2093043	335,726	-
Army Materiel Command	12.RD	W911NF1920158	132,239	-
Basic Scientific Research	12.431		336,029	-
<b>Department of the Air Force, Materiel Command</b>				
Basic and Applied Scientific Research	12.300		170,624	26,358
Air Force Defense Research Sciences Program	12.800		393,314	-
<b>Department of the Navy, Office of the Chief of Naval Research</b>				
Basic and Applied Scientific Research	12.300		1,948,724	-
<b>National Geospatial Intelligence Agency</b>				
Basic, Applied, and Advanced Research in Science and Engineering	12.630		638,492	54,940
<b>National Reconnaissance Office</b>				
National Reconnaissance Office	12.RD	NR0000-18-C-0052	459,829	-
National Reconnaissance Office	12.RD	NR0000-20-C-0091 CLIN 0014	284,463	79,320
<b>National Security Agency</b>				
National Security Agency	12.RD	H98230-20-C-0124	222,544	-
<b>Subtotal Department of Defense Direct Programs</b>			<b>5,195,878</b>	<b>160,818</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>Department of Defense Pass-Through Programs From:</b>				
<b>Advanced Research Projects Agency</b>				
Julia Computing Inc	12.RD	HR00112190101/HR00112190101-001	25,955	-
Sri International	12.RD	HR00111-18-C-0051/PO63985	139,381	-
Center For Open Science	12.910	N660011924015/EXHIBIT A	29,519	-
<b>Department of the Air Force, Materiel Command</b>				
Kitware, Inc.	12.RD	FA8650-18-C-1075/K02299-00-S01	182,153	-
Sunray Scientific	12.RD	W911NF-19-2-0345/FT19-20-196	22,173	-
Research Foundation of SUNY	12.800	FA8650-15-2-5220/CP-PI1-Third Course Offering	2,633	-
Research Foundation of SUNY	12.800	FA8650-15-2-5220/PAA - MOD 1	22,837	-
Research Foundation of SUNY	12.800	FA8650-21-2-10009.1.3 B3	47,161	-
<b>Department of the Navy, Office of the Chief of Naval Research</b>				
Research Foundation of SUNY	12.300	N00142012242/R1228184	71,840	-
University of Rochester	12.300	N00144-18-1-2370/417317	121,838	-
<b>National Reconnaissance Office</b>				
L3Harris Technologies	12.RD	20-C-0224/A000565992	545,792	-
<b>National Security Agency</b>				
North Carolina State University	12.RD	H98230-17-D-0080/2018-0438-02	65,091	-
<b>Office of the Under Secretary of Defense for Acquisition, Technology and Logistics</b>				
Massachusetts Institute of Technology Lincoln Laboratory	12.RD	FA8702-15-D-0001/PO 7000514341	10,942	-
<b>United States Army Materiel Command</b>				
Florida State University	12.RD	W912HQ-20-C-0062/R000002775	26,016	-
MxD	12.RD	W15QKN-19-3-0003/MXD 2021-03 PROJECT 20-04-01	49,753	1,300
MxD	12.RD	W15QKN-19-3-0003/21-10-06	6,940	-
<b>United States Army Medical Command</b>				
University of Iowa	12.420	W81XWH1910637/S01046-01	51,244	-
<b>Subtotal Department of Defense Pass-Through Programs</b>			<b>1,421,268</b>	<b>1,300</b>
<b>Total Department of Defense</b>			<b>6,617,146</b>	<b>161,918</b>
<b>Department of Energy Pass-Through Programs From:</b>				
Argonne National Lab	81.RD	DE-AC02-06CH11357/0F-60169	72,263	-
Battelle Savannah River Alliance, LLC	81.RD	DE-AC09-08SR22470/0000421354	236,141	-
Idaho National Laboratory	81.RD	DE-AC07-05ID14517/210042	9,086	-
Sandia National Laboratories	81.RD	DE-NA-0003525/2181641/PO2257600	14,771	-
Sandia National Laboratories	81.RD	DE-NA-0003525/2181641/PO2311437	7,251	-
Sandia National Laboratories	81.RD	DE-NA-0003525/2181641/PO2345315	9,940	-
Texpower, Inc.	81.RD	DE-SC0020025/200824	82,506	-
University of Connecticut	81.RD	350226/392088	1,289	-
University of Connecticut	81.RD	392807/438612	6,084	-
UT-Battelle, LLC	81.RD	DE-AC05-00OR22725/4000168756	159,914	-
Pennsylvania State University	81.049	DE-SC0021118/S001331-USDOE	63,171	-
University of Nebraska - Lincoln	81.049	DE-SC0022280/25-1123-0086-002	44,358	-
Arizona State University	81.087	DE-EE0008973/ASUB00000551	120,695	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-02	590,909	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-06	30,517	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-17-06	8,499	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-19-13 FOR 18-01-RM-10	45,954	28,891
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-19-14 FOR 18-01-RM11	6,362	2,334
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-19-15 FOR 18-01-RM-13	28,296	2,740
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-19-16 FOR 18-01-RM-14	82,341	2,288
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA19.20 FOR 18-02-DE-04	14,889	325
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA-19-24 FOR 18-02-RM-03	3,814	3,814
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE-0007897/SA20-01 RM-4012	11,216	-
Sustainable Manufacturing Innovation Alliance	81.087	DE-EE0007897/SA-20-07 FOR 19-01-RM-04	79,554	-
Microbeam Technologies Inc.	81.089	DE-FE0031750/MTQ2661578	16,629	-
Microbeam Technologies Inc.	81.089	DE-FE0031547/1537	31,037	-
Rocera, LLC	81.089	DE-FE0032107/704739-RIT	37,473	-
University of Rochester	81.112	DE-NA0003856/CRA-2020-LLE	14,546	-
University of Rochester	81.112	DE-NA0003856/GR531744	8,809	-
University of Rochester	81.112	RIT-LLE Cooperative Agreement	21,835	-
<b>Subtotal Department of Energy Pass-Through Programs</b>			<b>1,860,149</b>	<b>40,392</b>
<b>Total Department of Energy</b>			<b>1,860,149.00</b>	<b>40,392</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards



**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>Department of Health and Human Services Direct Programs</b>				
<b>National Institutes of Health</b>				
Family Smoking Prevention and Tobacco Control Act Regulatory Research	93.077		184,988	-
Research Related to Deafness and Communication Disorders	93.173		385,880	127,327
Nursing Research	93.361		404,639	188,656
Cancer Detection and Diagnosis Research	93.394		91,710	56,933
Cancer Treatment Research	93.395		22,773	-
Cancer Biology Research	93.396		110,506	30,781
Cardiovascular Diseases Research	93.837		680,640	320,555
Lung Diseases Research	93.838		227,458	81,365
Allergy and Infectious Diseases Research	93.855		133,090	21,877
Biomedical Research and Research Training	93.859		1,101,924	4,509
Vision Research	93.867		128,610	-
<b>Subtotal Department of Health and Human Services Direct Programs</b>			<b>3,472,218</b>	<b>832,003</b>
<b>Department of Health and Human Services Pass-Through Programs From:</b>				
<b>Administration for Community Living</b>				
Brandeis University	93.433	90DPGE0001403315	11,012	-
Gallaudet University	93.433	90DPCP0002-01-00/2109RIT	107,567	-
<b>Centers for Disease Control and Prevention</b>				
University of Rochester	93.135	U48DP006394/417729G	11,908	-
<b>Centers for Medicare and Medicaid Services</b>				
Mitre Corporation	93.RD	75FCMC18D00474-139013	560,140	-
<b>National Institutes of Health</b>				
University of Michigan	93.173	1R01DC014703-01A13003741485	16,043	-
Pennsylvania State University	93.273	7R01AA027708-02/S000393-DHHS	112,741	-
University of Rochester	93.350	2UL1TR002001-06/SUB00000196/UR FAO GR531775	7,325	-
University of Rochester	93.350	SULTR002001-06/SUB00000209/UR FAO GR531768	7,010	-
University of Rochester	93.350	SUL1TR002001-06/SUB00000176/UR FAO GR531720	24,905	-
Drexel University	93.837	1R01HL153336/900074	113,425	-
University of Rochester	93.839	R61HL154249/417819G/UR FAO GR511098	149,133	-
University of Rochester	93.846	1R01AR073169/417374G/UR FAO GR510810	1,732	-
University of Rochester	93.846	R01AR070765/417394G/UR FAO GR510284	6,811	-
The Rochester General Hospital	93.855	R03AI164138/2021-01	8,533	-
Simpore, Inc	93.859	2R44GM137651/2R44GM137651-RIT	35,965	-
University of Michigan	93.859	1R01GM143182/SUBK00014252	3,573	-
University of Rochester	93.859	R25GM107739/417472G	290,498	-
Brandeis University	93.865	1R01HD090103/403519	15,664	-
<b>Subtotal Department of Health and Human Services Pass-Through Programs</b>			<b>1,483,985</b>	<b>-</b>
<b>Total Department of Health and Human Services</b>			<b>4,956,203</b>	<b>832,003</b>
<b>Department of Homeland Security Direct Programs</b>				
Cybersecurity Education and Training Assistance Program (CETAP)	97.RD	70RSAT19CB0000020	105,675	-
<b>Subtotal Department of Homeland Security Direct Programs</b>			<b>105,675</b>	<b>-</b>
<b>Total Department of Homeland Security</b>			<b>105,675</b>	<b>-</b>
<b>Institute of Museum and Library Services Direct Programs</b>				
National Leadership Grants	45.312		265,555	-
<b>Subtotal Institute of Museum and Library Services Direct Programs</b>			<b>265,555</b>	<b>-</b>
<b>Total Institute of Museum and Library Services</b>			<b>265,555</b>	<b>-</b>
<b>Department of the Interior Direct Programs</b>				
U.S. Geological Survey Research and Data Collection	15.808		365,431	-
<b>Subtotal Department of the Interior Direct Programs</b>			<b>365,431</b>	<b>-</b>
<b>Total Department of the Interior</b>			<b>365,431</b>	<b>-</b>
<b>Department of Justice Direct Programs</b>				
<b>Bureau of Justice Assistance</b>				
Project Safe Neighborhoods	16.609		52,927	36,282
<b>Subtotal Department of Justice Direct Programs</b>			<b>52,927</b>	<b>36,282</b>
<b>Department of Justice Pass-Through Programs From:</b>				
<b>Bureau of Justice Assistance</b>				
Ibero American Action League	16.817	2017-AJ-BX-0013/IBERO - 2017-AJ-BX-0013 SUB	4,053	-
<b>Office of Community Oriented Policing Services</b>				
Rochester Police Department	16.710	2017CKWX0013/136267	27,176	-
<b>Office of Justice Programs</b>				
University of Texas	16.560	2020-CK-BX-0004/1000004050	32,108	-
<b>Subtotal Department of Justice Pass-Through Programs</b>			<b>63,337</b>	<b>-</b>
<b>Total Department of Justice</b>			<b>116,264</b>	<b>36,282</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>Department of Veteran Affairs Direct Programs</b>				
Department of Veteran Affairs	64.RD	IPA	14,704	-
Subtotal Department of Veteran Affairs Direct Programs			<u>14,704</u>	<u>-</u>
<b>Total Department of Veteran Affairs</b>			<u>14,704</u>	<u>-</u>
<b>Environmental Protection Agency Direct Programs</b>				
Office of Chemical Safety and Pollution Prevention				
Source Reduction Assistance	66.717		94,001	27,039
Subtotal Environmental Protection Agency Direct Programs			<u>94,001</u>	<u>27,039</u>
<b>Total Environmental Protection Agency</b>			<u>94,001</u>	<u>27,039</u>
<b>National Aeronautics and Space Administration Direct Programs</b>				
Science	43.001		2,069,358	760,032
Exploration	43.003		32,473	-
Space Technology	43.012		70,627	19,818
Subtotal National Aeronautics and Space Administration Direct Programs			<u>2,172,458</u>	<u>779,850</u>
<b>National Aeronautics and Space Administration Pass-Through Programs From:</b>				
Blacksky Aerospace LLC	43.RD	80NSSC20C01401/121902	136,726	-
California Institute of Technology	43.RD	80GFC18C0011/S442557	23,433	-
Space Telescope Science Institute	43.RD	NAS5-03127/JWST-ERS-01345.015-A	25,799	-
Space Telescope Science Institute	43.RD	NAS5-26555/HST-AR-15802.001-A	30,206	-
Space Telescope Science Institute	43.RD	NAS5-26555/HST-GO-15953.001-A	231	-
Battelle Memorial Institute	43.001	80NSSC20K1730/PO 806052	58,242	-
Brigham Young University	43.001	80NSSC20K0528/20-0546	51,861	-
Smithsonian Astrophysical Observatory	43.001	NAS8-03060/G00-21015C	5,762	-
Smithsonian Astrophysical Observatory	43.001	NAS8-03060/G01-22018X	29,068	-
University of Illinois	43.001	80NSSC20K1359/101784-18138	74,080	-
University of New Hampshire	43.001	NNX17AK10G/18-005	9,080	-
Cornell University	43.008	80NSSC20M0096/90830-20371	15,000	-
Subtotal National Aeronautics and Space Administration Pass-Through Programs			<u>459,488</u>	<u>-</u>
<b>Total National Aeronautics and Space Administration</b>			<u>2,631,946</u>	<u>779,850</u>
<b>National Endowment for the Humanities Direct Programs</b>				
Promotion of the Humanities Division of Preservation and Access	45.149		355,461	14,444
Subtotal National Endowment for the Humanities Direct Programs			<u>355,461</u>	<u>14,444</u>
<b>Total National Endowment for the Humanities</b>			<u>355,461</u>	<u>14,444</u>
<b>National Science Foundation Direct Programs</b>				
Engineering	47.041		1,028,477	7,591
Mathematical and Physical Sciences	47.049		2,211,351	49,249
Geosciences	47.050		65,623	0
Computer and Information Science and Engineering	47.070		2,136,519	15,878
Biological Sciences	47.074		62,641	0
Social, Behavioral, and Economic Sciences	47.075		314,429	0
Education and Human Resources	47.076		3,722,318	77,315
Office of International Science and Engineering	47.079		176,853	0
Integrative Activities	47.083		93,220	0
Subtotal National Science Foundation Direct Programs			<u>9,811,431</u>	<u>150,033</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>National Science Foundation Pass-Through Programs From:</b>				
The American University	47.041	CBET-2115405/31663-A220027-S02	61,436	-
Cornell University	47.041	IP-1643287/79546-10791	32,230	-
Georgia Institute of Technology	47.041	CMMI-1762803/AVD-000639-G1	8,283	-
Owl Autonomous Imaging	47.041	IP-2128439/212843-01	32,184	-
University of Connecticut	47.041	ECCS-1810108/398610	15,526	-
University of Rochester	47.041	IP-1822049/SUB0000227-URFAO: GR531858	2,139	-
University of Rochester	47.041	IP-1822049-060752-002/417887/URFAO: GR511018	53,242	-
California Institute of Technology	47.049	AST-1910598/S455634	39,203	-
National Radio Astronomy Observatory	47.049	AST-1519126/370010	88	-
National Radio Astronomy Observatory	47.049	AST-1519126/373281	20,371	-
National Radio Astronomy Observatory	47.049	AST-1519126/PO 372599	10,382	-
Oregon State University	47.049	PHY-2020265/S22706-K	33,001	-
University of Illinois	47.049	CHE-2019897/101433-18142	99,983	-
University of Wisconsin - Milwaukee	47.049	PHY-1430284/213405482	9,223	-
Columbia University	47.070	OAC-1748395/1(GG008686-01)	5,010	-
Columbia University	47.070	OAC-1916585/2(GG014586-02)	16,427	-
Georgia Tech Applied Research Corporation	47.070	CNS-2028677/AMD-001104-G1	25,425	-
Kent State University	47.070	OAC-1838807/402099-RIT	1,444	-
University of New Hampshire	47.074	DBI-2022070/L0127	13,626	-
Mathematical Association of America	47.076	DMS-1722270/3-8-710-892	17,777	-
Syracuse University	47.076	HRD-1712733/25914-04742-S02	58,327	-
Tarleton State University	47.076	DUE-2147501/431415-00009	37,036	-
University of Houston	47.076	DUE-1726968/R-18-009	(14,936)	-
University of Wisconsin - Madison	47.076	DUE-1836721/847K416	17,994	-
Rutgers, The State University of New Jersey	47.083	ITE-2040638/1677	16,431	-
<b>Subtotal National Science Foundation Pass-Through Programs</b>			<b>611,852</b>	<b>-</b>
<b>Total National Science Foundation</b>			<b>10,423,283</b>	<b>150,033</b>
<b>U.S. Agency for International Development Pass-Through Programs</b>				
World Vision	98.002	AID-OAA-A-13-00074/AID-OAA-A-13-00074-R2R-RIT	64,774	-
<b>Subtotal U.S. Agency for International Development Pass-Through Programs</b>			<b>64,774</b>	<b>-</b>
<b>Total U.S. Agency for International Development</b>			<b>64,774</b>	<b>-</b>
<b>Department of Transportation Pass-Through Programs From:</b>				
<b>Federal Aviation Administration</b>				
University of North Dakota	20.RD	135040/UND0025825-S1	25,582	-
University of North Dakota	20.RD	135040/UND0026930	122,993	-
University of North Dakota	20.109	15-C-UAS-UND-028-035/UND026127	37,058	-
<b>Subtotal Department of Transportation Pass-Through Programs</b>			<b>185,633</b>	<b>-</b>
<b>Total Department of Transportation</b>			<b>185,633</b>	<b>-</b>
<b>Total Research and Development Cluster</b>			<b>\$ 28,556,000</b>	<b>\$ 2,096,233</b>
<b>CCDF Cluster</b>				
<b>Department of Health and Human Services Pass-Through Programs From:</b>				
NYS Office of Children And Family Services	93.575	CCDF-ACF-IM-2021-02/A-14759	\$ 11,106	\$ -
<b>Subtotal Department of Health and Human Services Pass-Through Programs</b>			<b>11,106</b>	<b>-</b>
<b>Total Department of Health and Human Services</b>			<b>11,106</b>	<b>-</b>
<b>Total CCDF Cluster</b>			<b>\$ 11,106</b>	<b>\$ -</b>
<b>Economic Development Cluster</b>				
<b>Department of Commerce Direct Programs</b>				
Economic Adjustment Assistance	11.307		\$ 191,138	\$ -
<b>Subtotal Department of Commerce Direct Programs</b>			<b>191,138</b>	<b>-</b>
<b>Department of Commerce Pass-Through Programs From:</b>				
<b>Economic Development Administration</b>				
Nextcorp	11.307	ED21HDQ3070038/ED21HDQ RIT-1.0	98,808	-
<b>Subtotal Department of Commerce Pass-Through Programs</b>			<b>98,808</b>	<b>-</b>
<b>Total Economic Development Cluster</b>			<b>\$ 289,946</b>	<b>\$ -</b>
<b>Highway Planning and Construction Cluster</b>				
<b>Department of Transportation Pass-Through Programs From:</b>				
The City College of New York	20.205	DTRT13-G-UTC32/CM00002417-00	\$ 45,414	\$ -
<b>Subtotal Department of Transportation Pass-Through Programs</b>			<b>45,414</b>	<b>-</b>
<b>Total Department of Transportation</b>			<b>45,414</b>	<b>-</b>
<b>Total Highway Planning and Construction Cluster</b>			<b>\$ 45,414</b>	<b>\$ -</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

**Rochester Institute of Technology**  
**Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor Program or Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number or Other Identifying Number</u>	<u>Federal Expenditures</u>	<u>Passed to Subrecipients</u>
<b>TRIO Cluster:</b>				
<b>Department of Education - Office of Postsecondary Education Direct Programs</b>				
TRIO Upward Bound	84.047		\$ 195,097	\$ -
TRIO Veteran's Upward Bound	84.047V		324,980	-
TRIO McNair Post-Baccalaureate Achievement	84.217		262,728	-
<b>Subtotal Department of Education - Office of Postsecondary Education Direct Programs</b>			<b>781,905</b>	<b>-</b>
<b>Total Department of Education - Office of Postsecondary Education</b>			<b>781,905</b>	<b>-</b>
<b>Total TRIO Cluster</b>			<b>\$ 781,905</b>	<b>\$ -</b>
<b>WIOA Cluster:</b>				
<b>Department of Labor Pass-Through Programs From:</b>				
NYS Department of Labor	17.278	BLOCK GRANT/DOL01-C19457GG-350000	\$ 65,479	\$ -
<b>Subtotal Department of Labor Pass-Through Programs</b>			<b>65,479</b>	<b>-</b>
<b>Total Department of Labor</b>			<b>65,479</b>	<b>-</b>
<b>Total WIOA Cluster</b>			<b>\$ 65,479</b>	<b>\$ -</b>
<b>All Other Programs:</b>				
<b>Department of Commerce Direct Programs</b>				
<b>National Institute of Standards and Technology</b>				
Science, Technology, Business and/or Education Outreach	11.620		\$ 37,426	\$ 3,012
<b>Subtotal Department of Commerce Direct Programs</b>			<b>37,426</b>	<b>3,012</b>
<b>Department of Commerce Pass-Through Programs From:</b>				
<b>National Oceanic And Atmospheric Administration</b>				
St. John Fisher University	11.429	NA21N024290003/NA21N024290003-RIT	536	-
<b>Subtotal Department of Commerce Pass-Through Programs</b>			<b>536</b>	<b>-</b>
<b>Total Department of Commerce</b>			<b>37,962</b>	<b>3,012</b>
<b>Department of Defense Direct Programs</b>				
<b>National Security Agency</b>				
Information Security Grants	12.902		9,314	-
GenCyber Grants Program	12.903		56,390	-
CyberSecurity Core Curriculum	12.905		322,881	-
<b>Subtotal Department of Defense Direct Programs</b>			<b>388,585</b>	<b>-</b>
<b>Department of Defense Pass-Through Programs From:</b>				
<b>United States Army Materiel Command</b>				
Battelle Memorial Institute	12.630	W911SR-15-2-001US001-601866-1	2,073,169	-
<b>Subtotal Department of Defense Pass-Through Programs</b>			<b>2,073,169</b>	<b>-</b>
<b>Total Department of Defense</b>			<b>2,461,754</b>	<b>-</b>
<b>Department of Education Direct Programs</b>				
COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Student Portion	84.425E		15,084,185	-
NTID COVID	84.908D		8,239,324	-
<b>Subtotal Department of Education Direct Programs</b>			<b>23,323,509</b>	<b>-</b>
<b>Total Department of Education</b>			<b>23,323,509</b>	<b>-</b>
<b>Department of Health and Human Services Direct Programs</b>				
Graduate Psychology Education	93.191		447,190	-
Mental and Behavioral Health Education and Training Grants	93.732		253,057	-
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement	93.912		307,566	-
<b>Subtotal Department of Health and Human Services Direct Programs</b>			<b>1,007,813</b>	<b>-</b>
<b>Department of Health and Human Services Pass-Through Programs From:</b>				
Action for a Better Community	93.093	90FX0055-05-02/HPOG 2020-02	23,619	-
Monroe County/Office of Mental Health	93.959	SAPT Block Grant	72,973	-
Monroe County/Office of Mental Health	93.959	SAPT Block Grant	69,298	-
<b>Subtotal 93.959</b>			<b>142,271</b>	<b>-</b>
<b>Subtotal Department of Health and Human Services Pass-Through Programs</b>			<b>165,890</b>	<b>-</b>
<b>Total Department of Health and Human Services</b>			<b>1,173,703</b>	<b>-</b>
<b>Department of State Direct Programs</b>				
Public Diplomacy Programs	19.040		54,954	-
<b>Subtotal Department of State Direct Programs</b>			<b>54,954</b>	<b>-</b>
<b>Total Department of State</b>			<b>54,954</b>	<b>-</b>
<b>National Endowment for the Humanities Pass-Through Programs From:</b>				
University of Rochester	45.169	HAA-280830-21/SUB00000219	836	-
<b>Subtotal National Endowment for the Humanities Pass-Through Programs</b>			<b>836</b>	<b>-</b>
<b>Total National Endowment for the Humanities</b>			<b>836</b>	<b>-</b>
<b>Total All Other Programs</b>			<b>\$ 27,052,718</b>	<b>\$ 3,012</b>
<b>Total Federal Awards</b>			<b>\$ 262,116,107</b>	<b>\$ 2,099,245</b>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards

**Rochester Institute of Technology**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

---

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the expenditures of Rochester Institute of Technology (University) under programs of the federal government and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Negative amounts represent current year adjustments of amounts reported in prior years. The University applies its predetermined approved facilities and administrative rate when charging indirect costs to federal awards rather than the 10% de minimis cost rate as described in Section 200.414 of the Uniform Guidance. For purposes of the Schedule, federal awards include all grants, contracts and similar agreements entered into directly between the University and the agencies and departments of the federal government, or passed-through by other organizations to the University from agencies and departments of the federal government. When available, CFDA numbers and pass-through numbers are provided. Because the Schedule presents only a selected portion of the operations of the University, it is not intended to and does not present the financial position, changes in net assets or cash flows of the University.

**2. Federally Guaranteed Loans**

The University participated in the Federal Perkins Loan Program through its expiration on September 30, 2017. The balance in this program, \$12,666,964 at June 30, 2022, as well as loan expenditures and disbursements are federally guaranteed.

The University is responsible for certain administrative duties only with respect to the Federal Direct Loan program and, accordingly, these loans are not included in the University's consolidated financial statements. It is not practical to determine the balance of loans outstanding under these programs at June 30, 2022.

**3. National Technical Institute for the Deaf (NTID, College)**

NTID was created on June 8, 1965 through Public Law 89-36, *The National Technical Institute for the Deaf Act* (now incorporated into Public Law 99-371, *The Education of the Deaf Act* (EDA) of 1986 and subsequently modified by the 1992, 1993 and 1999 Amendments). In March 1966, the *Policies, Guidelines, and Application Procedures* were prepared by the National Advisory Board through the auspices of the Secretary of Health, Education and Welfare. This document provided a framework for the character and composition of NTID by establishing specific goals, a program for instruction, procedures for admission, placement provisions and facilities requirements. After an extensive search for the appropriate "Host Institution," the *Agreement for Establishment and Operation of the National Technical Institute for the Deaf between the Secretary of Health, Education and Welfare and Rochester Institute of Technology*, was signed on December 20, 1966. These four documents are in essence the law and collectively provide the overall guidance on the expenditure of federal funds.

NTID is a unique federal program in that its funding must be approved through an annual appropriation by the United States Congress. The appropriation currently covers approximately 80% of the College's total operating costs and provides matching funds for the University's Federal Endowment Fund. The remaining operating costs are funded by other sources of income including tuition, room, board and fees paid by students and a program of private fundraising as required by law. In addition to offering a wide array of academic programs to deaf and hard-of-hearing students, the College promotes and disseminates its services and its research findings nationally and internationally; educates other professionals to serve people who are deaf and hard-of-hearing; and, interacts regularly with its federal oversight agencies. As a result, there are a number of activities whose costs are treated as direct and others that are treated as indirect, where costs have been incurred for common or joint objectives and cannot be readily identified with a particular cost objective. The operation of NTID in conjunction with the overall congressional appropriation process does not result in finalization of the program results until after completion of the indirect cost recovery process.

**Rochester Institute of Technology**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**For the fiscal year ended June 30, 2022**

---

negotiated annually by the University with the Cost Allocation Services of the Department of Health and Human Services.

For the year ended June 30, 2022, the *Policies, Guidelines, and Application Procedures for NTID*, promulgated by the Department of Health and Human Services, and the EDA as amended, govern the allowability of expenditures related to NTID. NTID is not subject to 2 CFR Part 200, Subpart E in the determination of the allowability of costs, but rather is subject to the provisions of the four authorizing documents as described above, with particular emphasis on the Cost Principles as stated in the EDA, as amended. The principles and policies employed by the University in determining costs applicable to NTID encompass the concepts of reasonableness of cost, necessity for the operation of NTID, prudence, cost-benefit, and allowability; University policies; and, the EDA. Direct costs are those costs that are identified with activities of the College with relative ease and a high degree of accuracy. After direct costs have been determined and assigned to awards or other work as appropriate, indirect costs are those remaining to be allocated to benefiting cost objectives, net of costs of certain activities not allowable as charges to NTID. The allocation of indirect costs to NTID is designed to reflect an equitable distribution of those allowable costs indirectly benefiting all of the colleges which comprise the University.

In addition, NTID received funds in its annual appropriation to support a regional partnership with the Alabama Institute for the Deaf and Blind (AIDB). The NTID Southeast Regional STEM Center was established to expand the geographic reach of activities and services supported by NTID consistent with its mission and strategic plan. Of the amount included in government grants and contracts on the Consolidated Statements of Activities, \$6,465,818 and \$4,397,605 at June 30, 2022 and 2021 respectively, was appropriated for the AIDB regional partnership.

**4. NTID Program Expenditures**

NTID program expenditures for the year ended June 30, 2022 were \$105,372,505 of which \$84,470,133 represents direct and indirect costs charged to the federal government.

	<b>FY22</b>
Salaries and wages	\$ 32,926,839
Benefits including tuition waivers	11,636,651
Instruction expense for students cross-registered to RIT	7,719,285
Purchased services	2,918,197
Utilities	405,564
Auxiliaries	2,208,659
Student aid and prizes	6,244,570
Equipment	627,288
Institutional support	13,317,262
NTID Southeast Regional STEM Center	6,465,818
<b>Total expenditures of federal funds</b>	<b>\$ 84,470,133</b>

Note: The total federal appropriation of \$84,755,334 reported on the Schedule of Expenditures of Federal Awards includes \$285,201 received as matching funds under the EDA's Federal Endowment Program.



## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

To the Board of Trustees of the Rochester Institute of Technology

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of the Rochester Institute of Technology and its subsidiaries (the “University”), which comprise the consolidated balance sheet as of June 30, 2022, and the related consolidated statements of activities and of cash flows for the year then ended, including the related notes (collectively referred to as the “consolidated financial statements”), and have issued our report thereon dated November 10, 2022.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the University’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the University’s internal control. Accordingly, we do not express an opinion on the effectiveness of the University’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the University’s consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the University's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the University's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Fairport, New York  
November 10, 2022





## **Report of Independent Auditors on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance**

To the Board of Trustees of the Rochester Institute of Technology

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited the Rochester Institute of Technology's (the "University") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the University's major federal programs for the year ended June 30, 2022. The University's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the University complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (US GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the University and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the University's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the University's federal programs.



### ***Auditors' Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the University's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the University's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with US GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the University's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the University's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal



control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*PricewaterhouseCoopers LLP*

Fairport, New York  
January 6, 2023

**Rochester Institute of Technology**  
**Schedule of Findings and Questioned Costs**  
**For the fiscal year ended June 30, 2022**

---

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes          X     No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes          X     None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes          X     No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes          X     No

Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes          X     None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) \_\_\_\_\_ Yes          X     No

Identification of major programs:

<b><i>CFDA Number(s)</i></b>	<i>Name of Federal Program or Cluster</i>
Various	Research and Development Cluster
Various	TRIO Cluster
84.908A	National Technical Institute for the Deaf
84.425E	COVID-19 - Higher Education Emergency Relief Fund (HEERF) - Student Portion

Dollar threshold used to distinguish between Type A and Type B programs: \$ 3,000,000

Auditee qualified as low-risk auditee?     X     Yes      \_\_\_\_\_ No

**Rochester Institute of Technology  
Schedule of Findings and Questioned Costs  
For the fiscal year ended June 30, 2022**

---

**Section II – Financial Statement Findings**

No matters are reportable in the current year.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable in the current year.

**Rochester Institute of Technology**  
**Summary of Status of Prior Year's Findings**  
**For the fiscal year ended June 30, 2022**

---

**Section IV – Status of Prior Year's Findings**

2021-001 - Non-Compliance with Timely and Accurate Student Enrollment Change Submissions to the National Student Loan Data System (NSLDS)

**Grantor:** U.S. Department of Education  
**Program Name:** Student Financial Assistance Cluster  
**Award Names:** Federal Pell Grant Program and Federal Direct Loan Program  
**Award Year:** 7/1/2020 - 6/30/2021  
**Award Number:** Not applicable  
**Assistance Listing Numbers:** 84.063 and 84.268

**Condition:**

PwC reviewed a sample of twenty-five students enrolled at the University who received either Pell and/or Direct Loans and had a change of enrollment status during the fiscal year. Of the twenty-five students tested, one student was reported to NSLDS untimely with an inaccurate enrollment change effective date, one student was reported to NSLDS untimely with an inaccurate enrollment status, and four students were reported to NSLDS accurately but untimely. Of the four students reported accurately, the change in enrollment was reported to NSLDS between 63 and 77 days from the date the change was identified.

**Status:**

Management developed and executed a set of comprehensive actions to address the issues identified as outlined in the Prior Year Finding. As such, the University:

- Changed the frequency for the enrollment reporting process to the NSLDS to monthly. This new process was used during the 2022 fiscal year. In addition, the University implemented a system upgrade in December 2021, which includes a new enrollment file created within the Student Information System to allow for accurate graduated student reporting using the NSC enrollment file directly. This modified process was used successfully with the Spring 2022 graduating class and will continue to be used in the future.
- Sent a communication on March 21, 2022 to University stakeholders responsible for managing and/or completing the leave of absence process highlighting critical timelines and the importance of strictly adhering to the required timeframes. The University will send a similar communication at the start of each semester.
- Conducted training sessions to provide important information and education regarding the withdrawal and leave of absence processes. These sessions were delivered to Dean's Delegates for Advising on January 26, 2022 and the Advisors Council on February 8, 2022. The University will conduct trainings on a regular basis to ensure that existing and new staff continue to have access to critical information regarding the processes and timelines. A recorded version of the sessions was and will continue to be made available to those who are unable to attend.
- Will be implementing a systemic solution during the 2022-23 academic year that will create an integrated electronic workflow with the Student Information System to further streamline and automate the University's withdrawal and leave of absence processes.